

BILL ANALYSIS

Senate Research Center
81R25160 SGA-F

H.B. 4735
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Natural Resources
5/21/2009
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Coastal Water Authority (authority) was created by the legislature in 1967 as a conservation and reclamation district. Clarifying the approval required from the City of Houston prior to obtaining additional water rights and refining the authority's park powers and electric generation powers permits the authority to maximize opportunities for parks, electric generation, and greenhouse gas projects that both complement and provide additional resources for the authority's larger task of providing surface water to regional municipalities and industries.

H.B. 4735 clarifies certain powers and limitations upon the authority and provides certain additional powers to the authority.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 3A, Chapter 601, Acts of the 60th Legislature, Regular Session, 1967, to authorize the Coastal Water Authority (authority) to develop and generate electric energy by any means, rather than develop and generate electric energy for use by the authority or the City of Houston, including wind turbines and hydroelectric facilities, rather than by wind turbines and hydroelectric facilities. Requires any energy generated by the authority to first be made available to the authority and to the City of Houston.

SECTION 2. Amends Section 3B(c), Chapter 601, Acts of the 60th Legislature, Regular Session, 1967, to provide that a corporation created under this section is governed in the same manner as a local government corporation created by a municipality or county, except that the board of the authority is required to appoint the board of the corporation and provides that Section 431.101(g) (relating to a local government required to comply with state law regarding design and construction projects and services), Transportation Code, does not apply to a corporation created under this section.

SECTION 3. Amends Chapter 601, Acts of the 60th Legislature, Regular Session, 1967, by adding Section 3E, to authorize the authority to participate in a wetland mitigation program under Chapter 221 (Wetland Mitigation), Natural Resources Code.

SECTION 4. Amends Section 4, Chapter 601, Acts of the 60th Legislature, Regular Session, 1967, by amending Subsection (b) and adding Subsection (b-1), as follows:

(b) Redefines "park."

(b-1) Authorizes the authority to exercise any of its existing powers, including its parks powers, to carry out a project or activity that reduces, offsets, or captures and sequesters greenhouse gases or other emissions as provided by law. Authorizes the authority to contract with a private or public entity to sell or trade credits, offsets, tax credits, or other similar marketable instruments authorized by law and available to the authority attributable to any such project or activity. Authorizes the authority to pledge any stream of revenue from any such transaction to the issuance of bonds or notes secured by a stream of revenue from the entity attributable to any such project or activity. Authorizes

the proceeds of the bonds to be used to fund any authorized purpose of the authority or any joint project with the participating governmental entity.

SECTION 5. Provides that all requirements of the constitution and the laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this Act are fulfilled and accomplished.

SECTION 6. Effective date: upon passage or September 1, 2009.