

By: Eltife

S.B. No. 726

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the Harrison County Groundwater Conservation District; providing authority to impose a tax and issue bonds.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subtitle H, Title 6, Special District Local Laws Code, is amended by adding Chapter 8850 to read as follows:

CHAPTER 8850. HARRISON COUNTY GROUNDWATER

CONSERVATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8850.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "Director" means a member of the board.

(3) "District" means the Harrison County Groundwater Conservation District.

Sec. 8850.002. NATURE OF DISTRICT. The district is a groundwater conservation district in Harrison County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Sec. 8850.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 8850.023 before December 31, 2010:

(1) the district is dissolved December 31, 2010,

1 except that:

2 (A) any debts incurred shall be paid;

3 (B) any assets that remain after the payment of
4 debts shall be transferred to Harrison County; and

5 (C) the organization of the district shall be
6 maintained until all debts are paid and remaining assets are
7 transferred; and

8 (2) this chapter expires September 1, 2014.

9 Sec. 8850.004. INITIAL DISTRICT TERRITORY. The initial
10 boundaries of the district are coextensive with the boundaries of
11 Harrison County, Texas.

12 Sec. 8850.005. DISTRICT TERRITORY REQUIREMENTS;
13 DISSOLUTION OF DISTRICT. (a) On September 1, 2013, the district
14 boundaries must include at least one county adjacent to Harrison
15 County.

16 (b) As soon as practicable after September 1, 2013, the
17 Texas Commission on Environmental Quality shall determine whether
18 the district complies with Subsection (a).

19 (c) If the commission determines that the district does not
20 comply with Subsection (a), the commission shall dissolve the
21 district in accordance with Sections 36.304, 36.305, 36.307,
22 36.308, 36.309, and 36.310, Water Code, regardless of whether the
23 district meets the criteria for dissolution under Section
24 36.304(a), Water Code.

25 (d) This section expires September 1, 2015.

26 Sec. 8850.006. APPLICABILITY OF OTHER GROUNDWATER
27 CONSERVATION DISTRICT LAW. Except as otherwise provided by this

1 chapter, Chapter 36, Water Code, applies to the district.

2 [Sections 8850.007-8850.020 reserved for expansion]

3 SUBCHAPTER A-1. TEMPORARY PROVISIONS

4 Sec. 8850.021. APPOINTMENT OF TEMPORARY DIRECTORS.

5 (a) Not later than the 45th day after the effective date of the Act
6 enacting this chapter, five temporary directors shall be appointed
7 as follows:

8 (1) the Harrison County Commissioners Court shall
9 appoint four temporary directors, with one of the temporary
10 directors appointed from each of the four commissioners precincts
11 in the county to represent the precincts in which the temporary
12 directors reside; and

13 (2) the county judge of Harrison County shall appoint
14 one temporary director who resides in the district to represent the
15 district at large.

16 (b) Of the temporary directors, at least one director must
17 represent rural water suppliers in the district, one must represent
18 agricultural interests in the district, and one must represent
19 industrial interests in the district.

20 (c) If there is a vacancy on the temporary board of
21 directors of the district, the Harrison County Commissioners Court
22 shall appoint a person to fill the vacancy in a manner that meets
23 the representational requirements of this section.

24 (d) Temporary directors serve until the earlier of:

25 (1) the date initial directors are elected under
26 Section 8850.023; or

27 (2) the fourth anniversary of the effective date of

1 the Act creating this chapter.

2 (e) If initial directors have not been elected under Section
3 8850.023 and the terms of the temporary directors have expired,
4 successor temporary directors shall be appointed in the manner
5 provided by Subsections (a) and (b) to serve terms that expire on
6 the date this subchapter expires under Section 8850.026.

7 Sec. 8850.022. ORGANIZATIONAL MEETING OF TEMPORARY
8 DIRECTORS. As soon as practicable after all the temporary
9 directors have qualified under Section 36.055, Water Code, a
10 majority of the temporary directors shall convene the
11 organizational meeting of the district at a location within the
12 district agreeable to a majority of the directors. If an agreement
13 on location cannot be reached, the organizational meeting shall be
14 at the Harrison County Courthouse.

15 Sec. 8850.023. CONFIRMATION AND INITIAL DIRECTORS'
16 ELECTION. (a) The temporary directors shall hold an election to
17 confirm the creation of the district and to elect the initial
18 directors of the district.

19 (b) The temporary directors shall have placed on the ballot
20 the names of all candidates for an initial director's position who
21 have filed an application for a place on the ballot as provided by
22 Section 52.003, Election Code.

23 (c) The ballot must be printed to provide for voting for or
24 against the proposition: "The creation of the Harrison County
25 Groundwater Conservation District."

26 (d) If the district levies a maintenance tax for payment of
27 expenses, the ballot must be printed to provide for voting for or

1 against the proposition: "The levy of a maintenance tax at a rate
2 not to exceed 1.5 cents for each \$100 of assessed valuation."

3 (e) Section 41.001(a), Election Code, does not apply to an
4 election held under this section.

5 (f) Except as provided by this section, an election under
6 this section must be conducted as provided by Sections
7 36.017(b)-(i), Water Code, and the Election Code. The provision of
8 Section 36.017(d), Water Code, relating to the election of
9 permanent directors does not apply to an election under this
10 section.

11 Sec. 8850.024. INITIAL DIRECTORS. (a) If creation of the
12 district is confirmed at an election held under Section 8850.023,
13 the directors elected shall take office as initial directors of the
14 district and serve on the board of directors until permanent
15 directors are elected under Section 8850.025 or 8850.053.

16 (b) The four initial directors representing the
17 commissioners precincts shall draw lots to determine which two
18 shall serve a term expiring June 1 following the first regularly
19 scheduled election of directors under Section 8850.025, and which
20 two shall serve a term expiring June 1 following the second
21 regularly scheduled election of directors. The at-large director
22 shall serve a term expiring June 1 following the second regularly
23 scheduled election of directors.

24 Sec. 8850.025. INITIAL ELECTION OF PERMANENT DIRECTORS. On
25 the uniform election date prescribed by Section 41.001, Election
26 Code, in May of the first even-numbered year after the year in which
27 the district is authorized to be created at a confirmation

1 election, an election shall be held in the district for the election
2 of two directors to replace the initial directors who, under
3 Section 8850.024(b), serve a term expiring June 1 following that
4 election.

5 Sec. 8850.026. EXPIRATION OF SUBCHAPTER. This subchapter
6 expires September 1, 2014.

7 [Sections 8850.027-8850.050 reserved for expansion]

8 SUBCHAPTER B. BOARD OF DIRECTORS

9 Sec. 8850.051. DIRECTORS; TERMS. (a) The district is
10 governed by a board of five directors.

11 (b) Directors serve staggered four-year terms, with two or
12 three directors' terms expiring June 1 of each even-numbered year.

13 (c) A director may serve consecutive terms.

14 Sec. 8850.052. METHOD OF ELECTING DIRECTORS: COMMISSIONERS
15 PRECINCTS. (a) The directors of the district shall be elected
16 according to the commissioners precinct method as provided by this
17 section.

18 (b) One director shall be elected by the voters of the
19 entire district, and one director shall be elected from each county
20 commissioners precinct by the voters of that precinct.

21 (c) Except as provided by Subsection (e), to be eligible to
22 be a candidate for or to serve as director at large, a person must be
23 a registered voter in the district. To be a candidate for or to
24 serve as director from a county commissioners precinct, a person
25 must be a registered voter of that precinct.

26 (d) A person shall indicate on the application for a place
27 on the ballot:

1 (1) the precinct that the person seeks to represent;
2 or
3 (2) that the person seeks to represent the district at
4 large.

5 (e) When the boundaries of the county commissioners
6 precincts are redrawn after each federal decennial census to
7 reflect population changes, a director in office on the effective
8 date of the change, or a director elected or appointed before the
9 effective date of the change whose term of office begins on or after
10 the effective date of the change, shall serve in the precinct to
11 which elected or appointed even though the change in boundaries
12 places the person's residence outside the precinct for which the
13 person was elected or appointed.

14 Sec. 8850.053. ELECTION DATE. The district shall hold an
15 election to elect the appropriate number of directors on the
16 uniform election date prescribed by Section 41.001, Election Code,
17 in May of each even-numbered year.

18 Sec. 8850.054. COMPENSATION. (a) Sections 36.060(a),
19 (b), and (d), Water Code, do not apply to the district.

20 (b) A director is entitled to receive compensation of not
21 more than \$50 a day for each day the director actually spends
22 performing the duties of a director. The compensation may not
23 exceed \$3,000 a year.

24 (c) The board may authorize a director to receive
25 reimbursement for the director's reasonable expenses incurred
26 while engaging in activities on behalf of the board.

27 Sec. 8850.055. BOARD ACTION. A majority vote of a quorum is

1 required for board action. If there is a tie vote, the proposed
2 action fails.

3 [Sections 8850.056-8850.100 reserved for expansion]

4 SUBCHAPTER C. POWERS AND DUTIES

5 Sec. 8850.101. GENERAL POWERS. Except as otherwise
6 provided by this chapter, the district has all of the rights,
7 powers, privileges, functions, and duties provided by the general
8 law of this state applicable to groundwater conservation districts
9 created under Section 59, Article XVI, Texas Constitution.

10 Sec. 8850.102. PROHIBITION ON DISTRICT PURCHASE, SALE,
11 TRANSPORT, OR DISTRIBUTION OF WATER. The district may not
12 purchase, sell, transport, or distribute surface water or
13 groundwater for any purpose.

14 Sec. 8850.103. PROHIBITION ON DISTRICT USE OF EMINENT
15 DOMAIN POWER. The district may not exercise the power of eminent
16 domain.

17 [Sections 8850.104-8850.150 reserved for expansion]

18 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

19 Sec. 8850.151. LIMITATION ON TAXES. The district may not
20 impose ad valorem taxes at a rate that exceeds 1.5 cents on each
21 \$100 valuation of taxable property in the district.

22 Sec. 8850.152. FEES. (a) The board by rule may impose
23 reasonable fees on each well:

24 (1) for which a permit is issued by the district; and

25 (2) that is not exempt from district regulation.

26 (b) A production fee may be based on:

27 (1) the size of column pipe used by the well; or

1 (2) the amount of water actually withdrawn from the
2 well, or the amount authorized or anticipated to be withdrawn.

3 (c) The board shall base the initial production fee on the
4 criteria listed in Subsection (b)(2). The initial production fee:

5 (1) may not exceed:

6 (A) 25 cents per acre-foot for water used for
7 agricultural irrigation; or

8 (B) 4.25 cents per thousand gallons for water
9 used for any other purpose; and

10 (2) may be increased at a cumulative rate not to exceed
11 three percent per year.

12 (d) In addition to the production fee authorized under this
13 section, the district may assess an export fee on groundwater from a
14 well that is produced for transport outside the district.

15 (e) Fees authorized by this section may be:

16 (1) assessed annually;

17 (2) used to pay the cost of district operations; and

18 (3) used for any other purpose allowed under Chapter
19 36, Water Code.

20 Sec. 8850.153. LIMITATION ON INDEBTEDNESS. The district
21 may issue bonds and notes under Subchapter F, Chapter 36, Water
22 Code, except that the total indebtedness created by that issuance
23 may not exceed \$500,000 at any time.

24 SECTION 2. (a) The legal notice of the intention to
25 introduce this Act, setting forth the general substance of this
26 Act, has been published as provided by law, and the notice and a
27 copy of this Act have been furnished to all persons, agencies,

1 officials, or entities to which they are required to be furnished
2 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
3 Government Code.

4 (b) The governor has submitted the notice and Act to the
5 Texas Commission on Environmental Quality.

6 (c) The Texas Commission on Environmental Quality has filed
7 its recommendations relating to this Act with the governor,
8 lieutenant governor, and speaker of the house of representatives
9 within the required time.

10 (d) All requirements of the constitution and laws of this
11 state and the rules and procedures of the legislature with respect
12 to the notice, introduction, and passage of this Act are fulfilled
13 and accomplished.

14 SECTION 3. This Act takes effect immediately if it receives
15 a vote of two-thirds of all the members elected to each house, as
16 provided by Section 39, Article III, Texas Constitution. If this
17 Act does not receive the vote necessary for immediate effect, this
18 Act takes effect September 1, 2009.