

Amend CSSB 660 (senate committee report) as follows:

(1) In SECTION 2 of the bill, strike added Section 6.114(a)(1), Water Code (page 1, lines 48-59), and substitute the following:

(1) "Default" means:

(A) default in payment of the principal of or interest on bonds, securities, or other obligations purchased or acquired by the board;

(B) failure to perform any covenant related to a bond, security, or other obligation purchased or acquired by the board;

(C) a failure to perform any of the terms of a loan, grant, or other financing agreement; or

(D) any other failure to perform an obligation, breach of a term of an agreement, or default as provided by any proceeding or agreement evidencing an obligation or agreement of a recipient, beneficiary, or guarantor of financial assistance provided by the board.

(2) In SECTION 2 of the bill, strike added Section 6.115, Water Code (page 2, lines 15-47), and substitute the following:

Sec. 6.115. RECEIVERSHIP. (a) In this section, "financial assistance program recipient" has the meaning assigned by Section 6.114.

(b) In addition to the remedies available under Section 6.114, at the request of the board, the attorney general shall bring suit in a district court in Travis County for the appointment of a receiver to collect the assets and carry on the business of a financial assistance program recipient if:

(1) the action is necessary to cure a default by the recipient; and

(2) the recipient is not:

(A) a municipality or county; or

(B) a district or authority created under Section 52, Article III, or Section 59, Article XVI, Texas Constitution.

(c) The court shall vest a receiver appointed by the court with any power or duty the court finds necessary to cure the default, including the power or duty to:

- (1) perform audits;
- (2) raise wholesale or retail water or sewer rates or other fees;
- (3) fund reserve accounts;
- (4) make payments of the principal of or interest on bonds, securities, or other obligations purchased or acquired by the board; and
- (5) take any other action necessary to prevent or to remedy the default.

(d) The receiver shall execute a bond in an amount to be set by the court to ensure the proper performance of the receiver's duties.

(e) After appointment and execution of bond, the receiver shall take possession of the books, records, accounts, and assets of the financial assistance program recipient specified by the court. Until discharged by the court, the receiver shall perform the duties that the court directs and shall strictly observe the final order involved.

(f) On a showing of good cause by the financial assistance program recipient, the court may dissolve the receivership.

(3) Add the following appropriately numbered SECTIONS to the bill and renumber subsequent SECTIONS of the bill accordingly:

SECTION \_\_\_\_\_. Section 17.9022, Water Code, is amended to read as follows:

Sec. 17.9022. FINANCING OF GRANT OR LOAN FOR POLITICAL SUBDIVISION; DEFAULT; VENUE. [~~(a)~~] The board may make a loan or grant available to a political subdivision in any manner the board considers economically feasible, including purchase of bonds or securities of the political subdivision or execution of a loan or grant agreement with the political subdivision. The board may not purchase bonds or securities that have not been approved by the attorney general and registered by the comptroller.

~~[(b) In the event of a default in payment of the principal of or interest on bonds or securities purchased by the board, or any other default as defined in the proceedings or indentures authorizing the issuance of bonds, or a default of any of the terms of a loan agreement, the attorney general shall seek a writ of~~

~~mandamus or other legal remedy to compel the political subdivision or its officers, agents, and employees to cure the default by performing the duties they are legally obligated to perform. The proceedings shall be brought and venue is in a district court in Travis County. This subsection is cumulative of any other rights or remedies to which the board may be entitled.]~~

SECTION \_\_\_\_\_. Sections 15.908 and 17.180, Water Code, are repealed.