

BILL ANALYSIS

H.B. 2418
By: Callegari
Natural Resources
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The legislation that created the North Harris County Regional Water Authority in 1999 used a combination of geographic descriptions and designated legislative districts to establish its boundaries. Since that time, some water districts within the Authority have annexed property outside of the Authority's initial boundaries. As a result, all of these districts' residents pay for Authority operations but only those within the Authority's boundaries having the right to vote for the Authority's board members. Further, some water districts have property inside the Authority but participate in and pay for the legally-required groundwater reduction programs of entities neighboring the Authority.

Several sections of the Water Code appear applicable to the Authority, but its own legislation conflicts with those sections or the sections are more properly applicable to the water districts that are located within the Authority. Also, there is a question under current law whether the statutory fees paid by water districts to fund the Authority and their participation in the legally-required groundwater reduction plan of the Authority are enforceable without a statutory change. Finally, a number of provisions of the original legislation creating the Authority have been executed.

HB 2418 clarifies the Authority's boundaries so that all residents who, now and in the future, pay for its operations and are subject to its programs have the right to vote for the Authority's board members. The bill also eliminates conflicting laws, make fees enforceable and repeal provisions that have already been executed.

RULEMAKING AUTHORITY

Rulemaking authority is granted to the North Harris County Regional Water Authority in SECTION 1 of the bill.

ANALYSIS

SECTION 1. Amends Section 1.03, Chapter 1029, Acts of the 76th Legislature, Regular Session, 1999, to clarify that the North Harris County Regional Water Authority's (NHCRWA) territory includes certain territory only if that territory is located in one or more specified state representative districts. The bill adds seven special districts that are partially within and partially outside of the Authority to the NHCRWA's territory. The bill provides that property within the Authority and within the boundaries of another local government is excluded from the Authority if that property is subject to a groundwater reduction plan of the other local government if that local government had a groundwater reduction plan approved by the Harris-Galveston Subsidence District before 1 January 2010, and the property was included in the local government's approved groundwater reduction plan on that date. The bill provides that annexations of property by local governments within the NHCRWA become part of the Authority unless the property is part of another local government's groundwater reduction plan. The bill authorizes the NHCRWA to require, by rule, that a local government send to the Authority written notice of the annexation's effective date, and copies of documents describing the annexed land and the local government's new boundaries. The bill specifies that if territory is added to the service area of a person owning a water system within the Authority, that territory becomes part of the NHCRWA on the effective date of the addition to the service area unless that territory is included in another local government's approved groundwater reduction plan as of the effective date of the addition. The bill authorizes the Authority to require, by rule, that a person owning a water system within the NHCRWA send to the Authority written notice of the

effective date of the territory addition, and copies of documents describing the added territory and the service area's new boundaries. The bill provides that annexation or addition of territory to the NHCRWA does not affect the validity of bonds issued by the Authority.

SECTION 2. Amends Section 1.05, Chapter 1029, Acts of the 76th Legislature, Regular Session, 1999, to provide that the North Harris County Water Authority is exempt from Chapter 36, Water Code, governing groundwater conservation districts. The bill provides that the Authority is exempt from requirements of Section 49.052, Water Code, relating to the disqualification of district directors. The bill also exempts the Authority, which does not levy ad valorem taxes, from Section 49.451-49.455, Water Code, regarding certain notice requirements for districts with taxing authority.

SECTION 3. Amends Section 2.03, Chapter 1029, Acts of the 76th Legislature, Regular Session, 1999, to eliminate certain provisions related to the initial directors that have already been executed.

SECTION 4. Amends Section 4.04, Chapter 1029, Acts of the 76th Legislature, Regular Session, 1999, by changing the section heading to include a reference to civil action.

SECTION 5. Amends Section 4.04, Chapter 1029, Acts of the 76th Legislature, Regular Session, 1999, to authorize the Authority to bring an action in a district court against a district, other political subdivision, or other person in the NHCRWA's territory or groundwater reduction plan to recover charges, expenses, or penalties due to the Authority or to enforce the Authority's rules or orders. The bill provides that governmental immunity from suit or liability of a district or other political subdivision is waived for the purposes of an Authority action to recover charges, expenses, or penalties due to the NHCRWA or to enforce the Authority's rules or orders.

SECTION 6. Repeals the provisions of Chapter 1029, Acts of the 76th Legislature, Regular Session, 1999, that have been executed, including Section 2.04; Section 2.05; and Section 2.07.

SECTION 7. Implementation language specifying that the legal notices of intention to introduce this legislation and publication of required notices have been performed and provided to the governor and certain state agencies. In addition, the transition language provides that a state agency has provided any recommendations it may have to certain state officials. Lastly, the section provides that certain actions required by law related to the Act have been performed.

SECTION 8. Effective date upon passage with two-thirds affirmative vote in each chamber, or 1 September 2011.

EFFECTIVE DATE

Upon passage with two-thirds vote in each chamber, or 1 September 2011.