

1 AN ACT

2 relating to the creation of the Corn Hill Regional Water Authority;  
3 providing authority to issue bonds.

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

5 SECTION 1. Subtitle F, Title 6, Special District Local Laws  
6 Code, is amended by adding Chapter 8364 to read as follows:

7 CHAPTER 8364. CORN HILL REGIONAL WATER AUTHORITY

8 SUBCHAPTER A. GENERAL PROVISIONS

9 Sec. 8364.001. DEFINITIONS. In this chapter:

10 (1) "Authority" means the Corn Hill Regional Water  
11 Authority.

12 (2) "Board" means the authority's board of directors.

13 (3) "Commission" means the Texas Commission on  
14 Environmental Quality.

15 (4) "Director" means a board member.

16 (5) "Member entity" means a municipality or other  
17 political subdivision that is a member under Section 8364.071.

18 Sec. 8364.002. NATURE OF AUTHORITY. The authority is a  
19 conservation and reclamation district created under Section 59,  
20 Article XVI, Texas Constitution.

21 Sec. 8364.003. CONFIRMATION ELECTION NOT REQUIRED. The  
22 authority is not required to hold an election to confirm the  
23 creation of the authority.

24 Sec. 8364.004. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a)

1 The authority is created to serve a public purpose and benefit.

2 (b) All land and other property included in the authority  
3 will benefit from the improvements and services to be provided by  
4 the authority under powers conferred by Section 59, Article XVI,  
5 Texas Constitution, and other powers granted under this chapter.

6 (c) The authority is created to accomplish the control,  
7 storage, conservation, preservation, distribution, and use of  
8 water for domestic, industrial, municipal, and all other useful  
9 purposes as provided by Section 59, Article XVI, Texas  
10 Constitution.

11 (d) The creation of the authority is in the public interest  
12 and is essential to:

13 (1) further the public purposes of developing and  
14 diversifying the economy of the state;

15 (2) eliminate unemployment and underemployment;

16 (3) develop or expand commerce; and

17 (4) conserve the natural resources of this state.

18 (e) The authority will:

19 (1) promote the health, safety, and general welfare of  
20 residents, employers, potential employees, employees, visitors,  
21 and consumers in the authority, and of the public; and

22 (2) provide needed funding for the authority to  
23 preserve, maintain, and enhance the economic health and vitality of  
24 the authority territory as a community and business center.

25 Sec. 8364.005. AUTHORITY TERRITORY. The authority is  
26 composed of the territory in the member entities.

27 Sec. 8364.006. CHANGE IN MEMBERSHIP OR TERRITORY;

1 NOTIFICATION TO COMMISSION. The authority shall notify the  
2 commission of any changes in its membership or territory.

3 [Sections 8364.007-8364.050 reserved for expansion]

4 SUBCHAPTER B. BOARD OF DIRECTORS

5 Sec. 8364.051. GOVERNING BODY; TERMS. (a) The authority is  
6 governed by a board of appointed directors.

7 (b) Directors serve staggered three-year terms, with terms  
8 expiring on September 1.

9 (c) Each member entity shall appoint two directors.

10 (d) A director serves at the pleasure of the governing body  
11 of the member entity that appointed the director. A member entity  
12 may remove the director and appoint a new director at any time by  
13 resolution or ordinance of the governing body of the member entity.

14 [Sections 8364.052-8364.070 reserved for expansion]

15 SUBCHAPTER B-1. AUTHORITY MEMBERSHIP

16 Sec. 8364.071. INITIAL MEMBER ENTITIES. The initial member  
17 entities are:

18 (1) Sonterra Municipal Utility District; and

19 (2) CLL Municipal Utility District No. 1.

20 Sec. 8364.072. PETITION TO JOIN AUTHORITY. (a) A  
21 municipality or other political subdivision may petition the board  
22 to add that municipality or political subdivision as a member  
23 entity.

24 (b) Before a new member entity may be added to the  
25 authority, the petition must be approved by a joint resolution or  
26 ordinance of the governing body of each member entity.

27 Sec. 8364.073. PETITION TO LEAVE AUTHORITY. (a) A member

1 entity may petition the board to leave the authority.

2 (b) If the authority determines that allowing the member  
3 entity to leave the authority will not impair any outstanding bonds  
4 or other obligations of the authority on the date the board receives  
5 the petition, the board may approve the petition.

6 (c) If on the date the board receives the petition the  
7 authority has bonds or other obligations outstanding for which the  
8 member entity seeking to leave is wholly or partly responsible, the  
9 board may approve the petition only if:

10 (1) the member entity agrees to pay its share of the  
11 bonds or other obligations; and

12 (2) the authority determines that as a result of that  
13 payment the remaining bonds or other obligations of the authority  
14 will not be impaired.

15 [Sections 8364.074-8364.100 reserved for expansion]

16 SUBCHAPTER C. POWERS AND DUTIES

17 Sec. 8364.101. SERVICE TO MEMBER ENTITIES. The authority  
18 shall serve its member entities.

19 Sec. 8364.102. GENERAL POWERS AND DUTIES. The authority  
20 has only the powers and duties necessary to accomplish the purposes  
21 stated under Section 8364.004 for which the authority is created.

22 Sec. 8364.103. MUNICIPAL UTILITY DISTRICT POWERS AND  
23 DUTIES; LIMITATIONS. (a) Except as provided by Subsections (b) and  
24 (c), the authority has the powers and duties provided by the general  
25 law of this state, including Chapters 49 and 54, Water Code,  
26 applicable to municipal utility districts created under Section 59,  
27 Article XVI, Texas Constitution.

1       (b) The authority may not provide wastewater, drainage,  
2 solid waste disposal, or road facilities or services.

3       (c) The authority does not have any power that the member  
4 entities do not have.

5       [Sections 8364.104-8364.150 reserved for expansion]

6               SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

7       Sec. 8364.151. AUTHORITY TO ISSUE BONDS AND OTHER  
8 OBLIGATIONS. (a) For any authorized authority purpose, the  
9 authority may issue bonds or other obligations payable wholly or  
10 partly from revenue of the authority's water system, including  
11 revenue from contracts with member entities or customers.

12       (b) To provide revenue under Subsection (a), a member entity  
13 may make payments under a contract with the authority from any of  
14 the member entity's sources of revenue, including ad valorem taxes,  
15 impact fees, grants, sales and use taxes, and any other source.

16       Sec. 8364.152. NO TAXING POWER. The authority may not  
17 impose a tax.

18       SECTION 2. (a) Not later than September 15, 2011, the  
19 Sonterra Municipal Utility District and the CLL Municipal Utility  
20 District No. 1 shall each appoint two directors to the board of  
21 directors of the Corn Hill Regional Water Authority under Section  
22 8364.051, Special District Local Laws Code, as added by this Act.

23       (b) To establish staggered three-year terms required under  
24 Section 8364.051, Special District Local Laws Code, as added by  
25 this Act, the initial directors appointed under that section shall,  
26 unless otherwise agreed, determine by lot which of the directors  
27 shall serve a one-year, two-year, or three-year term.

1           SECTION 3. (a)    The legal notice of the intention to  
2 introduce this Act, setting forth the general substance of this  
3 Act, has been published as provided by law, and the notice and a  
4 copy of this Act have been furnished to all persons, agencies,  
5 officials, or entities to which they are required to be furnished  
6 under Section 59, Article XVI, Texas Constitution, and Chapter 313,  
7 Government Code.

8           (b) The governor, one of the required recipients, has  
9 submitted the notice and Act to the Texas Commission on  
10 Environmental Quality.

11          (c) The Texas Commission on Environmental Quality has filed  
12 its recommendations relating to this Act with the governor, the  
13 lieutenant governor, and the speaker of the house of  
14 representatives within the required time.

15          (d) All requirements of the constitution and laws of this  
16 state and the rules and procedures of the legislature with respect  
17 to the notice, introduction, and passage of this Act are fulfilled  
18 and accomplished.

19          SECTION 4. (a)    Any eminent domain powers granted under  
20 general law to the Corn Hill Regional Water Authority as created by  
21 this Act take effect only if this Act receives a two-thirds vote of  
22 all the members elected to each house.

23          (b) If this Act does not receive a two-thirds vote of all the  
24 members elected to each house, Subchapter C, Chapter 8364, Special  
25 District Local Laws Code, as added by Section 1 of this Act, is  
26 amended by adding Section 8364.104 to read as follows:

27          Sec. 8364.104. NO EMINENT DOMAIN POWER. The authority may

1 not exercise the power of eminent domain.

2 (c) This section is not intended to be an expression of a  
3 legislative interpretation of the requirements of Section 17(c),  
4 Article I, Texas Constitution.

5 SECTION 5. Except as provided by Section 4 of this Act:

6 (1) this Act takes effect immediately if it receives a  
7 vote of two-thirds of all the members elected to each house, as  
8 provided by Section 39, Article III, Texas Constitution; and

9 (2) if this Act does not receive the vote necessary for  
10 immediate effect, this Act takes effect September 1, 2011.

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President of the Senate

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Speaker of the House

I certify that H.B. No. 2360 was passed by the House on April 7, 2011, by the following vote: Yeas 144, Nays 0, 1 present, not voting; and that the House concurred in Senate amendments to H.B. No. 2360 on May 16, 2011, by the following vote: Yeas 131, Nays 2, 1 present, not voting.

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Chief Clerk of the House

I certify that H.B. No. 2360 was passed by the Senate, with amendments, on May 10, 2011, by the following vote: Yeas 31, Nays 0.

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Secretary of the Senate

APPROVED: \_\_\_\_\_

Date

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Governor