

1-1 By: Schwertner (Senate Sponsor - Ogden) H.B. No. 2360
1-2 (In the Senate - Received from the House April 11, 2011;
1-3 April 26, 2011, read first time and referred to Committee on
1-4 Natural Resources; May 4, 2011, reported favorably by the
1-5 following vote: Yeas 8, Nays 0; May 4, 2011, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to the creation of the Corn Hill Regional Water Authority;
1-9 providing authority to issue bonds.

1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
1-11 SECTION 1. Subtitle F, Title 6, Special District Local Laws
1-12 Code, is amended by adding Chapter 8364 to read as follows:

1-13 CHAPTER 8364. CORN HILL REGIONAL WATER AUTHORITY
1-14 SUBCHAPTER A. GENERAL PROVISIONS

1-15 Sec. 8364.001. DEFINITIONS. In this chapter:

1-16 (1) "Authority" means the Corn Hill Regional Water
1-17 Authority.

1-18 (2) "Board" means the authority's board of directors.

1-19 (3) "Commission" means the Texas Commission on
1-20 Environmental Quality.

1-21 (4) "Director" means a board member.

1-22 (5) "Member entity" means a municipality or other
1-23 political subdivision that is a member under Section 8364.071.

1-24 Sec. 8364.002. NATURE OF AUTHORITY. The authority is a
1-25 conservation and reclamation district created under Section 59,
1-26 Article XVI, Texas Constitution.

1-27 Sec. 8364.003. CONFIRMATION ELECTION NOT REQUIRED. The
1-28 authority is not required to hold an election to confirm the
1-29 creation of the authority.

1-30 Sec. 8364.004. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a)
1-31 The authority is created to serve a public purpose and benefit.

1-32 (b) All land and other property included in the authority
1-33 will benefit from the improvements and services to be provided by
1-34 the authority under powers conferred by Section 59, Article XVI,
1-35 Texas Constitution, and other powers granted under this chapter.

1-36 (c) The authority is created to accomplish the control,
1-37 storage, conservation, preservation, distribution, and use of
1-38 water for domestic, industrial, municipal, and all other useful
1-39 purposes as provided by Section 59, Article XVI, Texas
1-40 Constitution.

1-41 (d) The creation of the authority is in the public interest
1-42 and is essential to:

1-43 (1) further the public purposes of developing and
1-44 diversifying the economy of the state;

1-45 (2) eliminate unemployment and underemployment;

1-46 (3) develop or expand commerce; and

1-47 (4) conserve the natural resources of this state.

1-48 (e) The authority will:

1-49 (1) promote the health, safety, and general welfare of
1-50 residents, employers, potential employees, employees, visitors,
1-51 and consumers in the authority, and of the public; and

1-52 (2) provide needed funding for the authority to
1-53 preserve, maintain, and enhance the economic health and vitality of
1-54 the authority territory as a community and business center.

1-55 Sec. 8364.005. AUTHORITY TERRITORY. The authority is
1-56 composed of the territory in the member entities.

1-57 Sec. 8364.006. CHANGE IN MEMBERSHIP OR TERRITORY;
1-58 NOTIFICATION TO COMMISSION. The authority shall notify the
1-59 commission of any changes in its membership or territory.

1-60 [Sections 8364.007-8364.050 reserved for expansion]

1-61 SUBCHAPTER B. BOARD OF DIRECTORS

1-62 Sec. 8364.051. GOVERNING BODY; TERMS. (a) The authority is
1-63 governed by a board of appointed directors.

1-64 (b) Directors serve staggered three-year terms, with terms

2-1 expiring on September 1.
 2-2 (c) Each member entity shall appoint two directors.
 2-3 (d) A director serves at the pleasure of the governing body
 2-4 of the member entity that appointed the director. A member entity
 2-5 may remove the director and appoint a new director at any time by
 2-6 resolution or ordinance of the governing body of the member entity.
 2-7 [Sections 8364.052-8364.070 reserved for expansion]
 2-8 SUBCHAPTER B-1. AUTHORITY MEMBERSHIP
 2-9 Sec. 8364.071. INITIAL MEMBER ENTITIES. The initial member
 2-10 entities are:
 2-11 (1) Sonterra Municipal Utility District; and
 2-12 (2) CLL Municipal Utility District No. 1.
 2-13 Sec. 8364.072. PETITION TO JOIN AUTHORITY. (a) A
 2-14 municipality or other political subdivision may petition the board
 2-15 to add that municipality or political subdivision as a member
 2-16 entity.
 2-17 (b) Before a new member entity may be added to the
 2-18 authority, the petition must be approved by a joint resolution or
 2-19 ordinance of the governing body of each member entity.
 2-20 Sec. 8364.073. PETITION TO LEAVE AUTHORITY. (a) A member
 2-21 entity may petition the board to leave the authority.
 2-22 (b) If the authority determines that allowing the member
 2-23 entity to leave the authority will not impair any outstanding bonds
 2-24 or other obligations of the authority on the date the board receives
 2-25 the petition, the board may approve the petition.
 2-26 (c) If on the date the board receives the petition the
 2-27 authority has bonds or other obligations outstanding for which the
 2-28 member entity seeking to leave is wholly or partly responsible, the
 2-29 board may approve the petition only if:
 2-30 (1) the member entity agrees to pay its share of the
 2-31 bonds or other obligations; and
 2-32 (2) the authority determines that as a result of that
 2-33 payment the remaining bonds or other obligations of the authority
 2-34 will not be impaired.
 2-35 [Sections 8364.074-8364.100 reserved for expansion]
 2-36 SUBCHAPTER C. POWERS AND DUTIES
 2-37 Sec. 8364.101. SERVICE TO MEMBER ENTITIES. The authority
 2-38 shall serve its member entities.
 2-39 Sec. 8364.102. GENERAL POWERS AND DUTIES. The authority
 2-40 has the powers and duties necessary to accomplish the purposes for
 2-41 which the authority is created.
 2-42 Sec. 8364.103. MUNICIPAL UTILITY DISTRICT POWERS AND
 2-43 DUTIES. The authority has the powers and duties provided by the
 2-44 general law of this state, including Chapters 49 and 54, Water Code,
 2-45 applicable to municipal utility districts created under Section 59,
 2-46 Article XVI, Texas Constitution.
 2-47 [Sections 8364.104-8364.150 reserved for expansion]
 2-48 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
 2-49 Sec. 8364.151. AUTHORITY TO ISSUE BONDS AND OTHER
 2-50 OBLIGATIONS. (a) For any authorized authority purpose, the
 2-51 authority may issue bonds or other obligations payable wholly or
 2-52 partly from revenue of the authority's water system, including
 2-53 revenue from contracts with member entities or customers.
 2-54 (b) To provide revenue under Subsection (a), a member entity
 2-55 may make payments under a contract with the authority from any of
 2-56 the member entity's sources of revenue, including ad valorem taxes,
 2-57 impact fees, grants, sales and use taxes, and any other source.
 2-58 Sec. 8364.152. NO TAXING POWER. The authority may not
 2-59 impose a tax.
 2-60 SECTION 2. (a) Not later than September 15, 2011, the
 2-61 Sonterra Municipal Utility District and the CLL Municipal Utility
 2-62 District No. 1 shall each appoint two directors to the board of
 2-63 directors of the Corn Hill Regional Water Authority under Section
 2-64 8364.051, Special District Local Laws Code, as added by this Act.
 2-65 (b) To establish staggered three-year terms required under
 2-66 Section 8364.051, Special District Local Laws Code, as added by
 2-67 this Act, the initial directors appointed under that section shall,
 2-68 unless otherwise agreed, determine by lot which of the directors
 2-69 shall serve a one-year, two-year, or three-year term.

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

3-8 (b) The governor, one of the required recipients, has
3-9 submitted the notice and Act to the Texas Commission on
3-10 Environmental Quality.

3-11 (c) The Texas Commission on Environmental Quality has filed
3-12 its recommendations relating to this Act with the governor, the
3-13 lieutenant governor, and the speaker of the house of
3-14 representatives within the required time.

3-15 (d) All requirements of the constitution and laws of this
3-16 state and the rules and procedures of the legislature with respect
3-17 to the notice, introduction, and passage of this Act are fulfilled
3-18 and accomplished.

3-19 SECTION 4. (a) Any eminent domain powers granted under
3-20 general law to the Corn Hill Regional Water Authority as created by
3-21 this Act take effect only if this Act receives a two-thirds vote of
3-22 all the members elected to each house.

3-23 (b) If this Act does not receive a two-thirds vote of all the
3-24 members elected to each house, Subchapter C, Chapter 8364, Special
3-25 District Local Laws Code, as added by Section 1 of this Act, is
3-26 amended by adding Section 8364.104 to read as follows:

3-27 Sec. 8364.104. NO EMINENT DOMAIN POWER. The authority may
3-28 not exercise the power of eminent domain.

3-29 (c) This section is not intended to be an expression of a
3-30 legislative interpretation of the requirements of Section 17(c),
3-31 Article I, Texas Constitution.

3-32 SECTION 5. Except as provided by Section 4 of this Act:

3-33 (1) this Act takes effect immediately if it receives a
3-34 vote of two-thirds of all the members elected to each house, as
3-35 provided by Section 39, Article III, Texas Constitution; and

3-36 (2) if this Act does not receive the vote necessary for
3-37 immediate effect, this Act takes effect September 1, 2011.

3-38 * * * * *