

By: Gallego

H.B. No. 2859

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the Terrell 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 8837 to read as follows:

CHAPTER 8837. TERRELL COUNTY GROUNDWATER

CONSERVATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8837.001. DEFINITIONS. In this chapter:

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

(2) "Commissioners court" means the Terrell County Commissioners Court.

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

(4) "District" means the Terrell County Groundwater Conservation District.

Sec. 8837.002. NATURE OF DISTRICT. The district is a groundwater conservation district in Terrell County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Sec. 8837.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation

1 election held under Section 8837.022 before December 31, 2012:

2 (1) the district is dissolved December 31, 2012,  
3 except that:

4 (A) any debts incurred shall be paid;

5 (B) any assets that remain after the payment of  
6 debts shall be transferred to Terrell County; and

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

10 (2) this chapter expires September 1, 2016.

11 Sec. 8837.004. INITIAL DISTRICT TERRITORY. The initial  
12 boundaries of the district are coextensive with the boundaries of  
13 Terrell County, Texas.

14 Sec. 8837.005. DISTRICT NAME CHANGE. The board may change  
15 the district's name when the district annexes territory.

16 Sec. 8837.006. APPLICABILITY OF OTHER GROUNDWATER  
17 CONSERVATION DISTRICT LAW. (a) Except as otherwise provided by  
18 this chapter, Chapter 36, Water Code, applies to the district.

19 (b) Section 36.121, Water Code, does not apply to the  
20 district.

21 [Sections 8837.007-8837.020 reserved for expansion]

22 SUBCHAPTER A-1. TEMPORARY PROVISIONS

23 Sec. 8837.021. APPOINTMENT OF INITIAL DIRECTORS; TERMS.

24 (a) Not later than the 45th day after the effective date of the Act  
25 enacting this chapter, the commissioners court shall appoint five  
26 initial directors in a manner that meets the representational  
27 requirements of Section 8837.051.

1       (b) Except as provided by Section 8837.003, and  
2 notwithstanding Section 8837.053, one director representing urban  
3 interests and two directors representing agricultural interests  
4 shall be appointed to terms that expire April 1, 2013. The other  
5 two directors shall be appointed to terms that expire April 1, 2015.

6       Sec. 8837.022. CONFIRMATION ELECTION. (a) The initial  
7 directors shall hold an election to confirm the creation of the  
8 district.

9       (b) Section 41.001(a), Election Code, does not apply to an  
10 election held under this section.

11       (c) Except as provided by this section, a confirmation  
12 election must be conducted as provided by Sections 36.017(b)-(i),  
13 Water Code, and the Election Code. The provision of Section  
14 36.017(d), Water Code, relating to the election of directors does  
15 not apply to an election under this section.

16       Sec. 8837.023. EXPIRATION OF SUBCHAPTER. This subchapter  
17 expires September 1, 2016.

18       [Sections 8837.024-8837.050 reserved for expansion]

19                   SUBCHAPTER B. BOARD OF DIRECTORS

20       Sec. 8837.051. COMPOSITION OF BOARD. (a) The district is  
21 governed by a board of five directors appointed by the  
22 commissioners court.

23       (b) Two directors must represent urban interests in the  
24 district and three must represent agricultural interests in the  
25 district.

26       Sec. 8837.052. TERMS OF DIRECTORS. (a) Directors serve  
27 staggered four-year terms, with two or three directors' terms

1 expiring April 1 of each odd-numbered year.

2 (b) A director may serve consecutive terms.

3 (c) The commissioners court shall appoint a director to  
4 succeed a serving director on or before the date the serving  
5 director's term expires.

6 Sec. 8837.053. VACANCIES. If there is a vacancy on the  
7 board, the commissioners court shall appoint a person to fill the  
8 vacancy for the remainder of the term in a manner that meets the  
9 representational requirements of Section 8837.051.

10 Sec. 8837.054. COMPENSATION. (a) Sections 36.060(a), (b),  
11 and (d), Water Code, do not apply to the district.

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

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

19 [Sections 8837.055-8837.100 reserved for expansion]

20 SUBCHAPTER C. POWERS AND DUTIES

21 Sec. 8837.101. GENERAL POWERS. Except as otherwise  
22 provided by this chapter, the district has all of the rights,  
23 powers, privileges, functions, and duties provided by the general  
24 law of this state applicable to groundwater conservation districts  
25 created under Section 59, Article XVI, Texas Constitution.

26 Sec. 8837.102. PROHIBITION ON DISTRICT PURCHASE, SALE,  
27 TRANSPORT, OR DISTRIBUTION OF WATER. The district may not

1 purchase, sell, transport, or distribute surface water or  
2 groundwater for any purpose.

3 Sec. 8837.103. NO EMINENT DOMAIN POWER. The district may  
4 not exercise the power of eminent domain.

5 [Sections 8837.104-8837.150 reserved for expansion]

6 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

7 Sec. 8837.151. LIMITATION ON TAXES. The district may not  
8 impose ad valorem taxes at a rate that exceeds 1.5 cents on each  
9 \$100 valuation of taxable property in the district.

10 Sec. 8837.152. FEES. (a) The board by rule may impose  
11 reasonable fees on each well:

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

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

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

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

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

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

20 (1) may not exceed:

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

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

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

27 (d) In addition to the production fee authorized under this

1 section, the district may assess an export fee on groundwater from a  
2 well that is produced for transport outside the district.

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

4 (1) assessed annually;

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

6 (3) used for any other purpose allowed under Chapter  
7 36, Water Code.

8 Sec. 8837.153. LIMITATION ON INDEBTEDNESS. The district  
9 may issue bonds and notes under Subchapter F, Chapter 36, Water  
10 Code, except that the total indebtedness created by that issuance  
11 may not exceed \$500,000 at any time.

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

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

21 (c) The Texas Commission on Environmental Quality has filed  
22 its recommendations relating to this Act with the governor,  
23 lieutenant governor, and speaker of the house of representatives  
24 within the required time.

25 (d) All requirements of the constitution and laws of this  
26 state and the rules and procedures of the legislature with respect  
27 to the notice, introduction, and passage of this Act are fulfilled

1 and accomplished.

2 SECTION 3. This Act takes effect September 1, 2011.