

1 AN ACT

2 relating to the creation of the Terrell County Groundwater
3 Conservation District; providing authority to impose a tax and
4 issue bonds.

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

6 SECTION 1. Subtitle H, Title 6, Special District Local Laws
7 Code, is amended by adding Chapter 8837 to read as follows:

8 CHAPTER 8837. TERRELL COUNTY GROUNDWATER

9 CONSERVATION DISTRICT

10 SUBCHAPTER A. GENERAL PROVISIONS

11 Sec. 8837.001. DEFINITIONS. In this chapter:

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

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

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

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

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

23 Sec. 8837.003. CONFIRMATION ELECTION REQUIRED. If the
24 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.

President of the Senate

Speaker of the House

I certify that H.B. No. 2859 was passed by the House on April 26, 2011, by the following vote: Yeas 146, Nays 0, 3 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 2859 was passed by the Senate on May 19, 2011, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor