

1-1 By: Gallego (Senate Sponsor - Uresti) H.B. No. 2859
1-2 (In the Senate - Received from the House April 27, 2011;
1-3 April 28, 2011, read first time and referred to Committee on
1-4 Natural Resources; May 11, 2011, reported favorably by the
1-5 following vote: Yeas 10, Nays 0; May 11, 2011, sent to printer.)

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

1-8 relating to the creation of the Terrell County Groundwater
1-9 Conservation District; providing authority to impose a tax and
1-10 issue bonds.

1-11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-12 SECTION 1. Subtitle H, Title 6, Special District Local Laws
1-13 Code, is amended by adding Chapter 8837 to read as follows:

1-14 CHAPTER 8837. TERRELL COUNTY GROUNDWATER

1-15 CONSERVATION DISTRICT

1-16 SUBCHAPTER A. GENERAL PROVISIONS

1-17 Sec. 8837.001. DEFINITIONS. In this chapter:

1-18 (1) "Board" means the board of directors of the
1-19 district.

1-20 (2) "Commissioners court" means the Terrell County
1-21 Commissioners Court.

1-22 (3) "Director" means a member of the board.

1-23 (4) "District" means the Terrell County Groundwater
1-24 Conservation District.

1-25 Sec. 8837.002. NATURE OF DISTRICT. The district is a
1-26 groundwater conservation district in Terrell County created under
1-27 and essential to accomplish the purposes of Section 59, Article
1-28 XVI, Texas Constitution.

1-29 Sec. 8837.003. CONFIRMATION ELECTION REQUIRED. If the
1-30 creation of the district is not confirmed at a confirmation
1-31 election held under Section 8837.022 before December 31, 2012:

1-32 (1) the district is dissolved December 31, 2012,
1-33 except that:

1-34 (A) any debts incurred shall be paid;

1-35 (B) any assets that remain after the payment of
1-36 debts shall be transferred to Terrell County; and

1-37 (C) the organization of the district shall be
1-38 maintained until all debts are paid and remaining assets are
1-39 transferred; and

1-40 (2) this chapter expires September 1, 2016.

1-41 Sec. 8837.004. INITIAL DISTRICT TERRITORY. The initial
1-42 boundaries of the district are coextensive with the boundaries of
1-43 Terrell County, Texas.

1-44 Sec. 8837.005. DISTRICT NAME CHANGE. The board may change
1-45 the district's name when the district annexes territory.

1-46 Sec. 8837.006. APPLICABILITY OF OTHER GROUNDWATER
1-47 CONSERVATION DISTRICT LAW. (a) Except as otherwise provided by
1-48 this chapter, Chapter 36, Water Code, applies to the district.

1-49 (b) Section 36.121, Water Code, does not apply to the
1-50 district.

1-51 [Sections 8837.007-8837.020 reserved for expansion]

1-52 SUBCHAPTER A-1. TEMPORARY PROVISIONS

1-53 Sec. 8837.021. APPOINTMENT OF INITIAL DIRECTORS; TERMS.

1-54 (a) Not later than the 45th day after the effective date of the Act
1-55 enacting this chapter, the commissioners court shall appoint five
1-56 initial directors in a manner that meets the representational
1-57 requirements of Section 8837.051.

1-58 (b) Except as provided by Section 8837.003, and
1-59 notwithstanding Section 8837.053, one director representing urban
1-60 interests and two directors representing agricultural interests
1-61 shall be appointed to terms that expire April 1, 2013. The other
1-62 two directors shall be appointed to terms that expire April 1, 2015.

1-63 Sec. 8837.022. CONFIRMATION ELECTION. (a) The initial
1-64 directors shall hold an election to confirm the creation of the

2-1 district.

2-2 (b) Section 41.001(a), Election Code, does not apply to an

2-3 election held under this section.

2-4 (c) Except as provided by this section, a confirmation

2-5 election must be conducted as provided by Sections 36.017(b)-(i),

2-6 Water Code, and the Election Code. The provision of Section

2-7 36.017(d), Water Code, relating to the election of directors does

2-8 not apply to an election under this section.

2-9 Sec. 8837.023. EXPIRATION OF SUBCHAPTER. This subchapter

2-10 expires September 1, 2016.

2-11 [Sections 8837.024-8837.050 reserved for expansion]

2-12 SUBCHAPTER B. BOARD OF DIRECTORS

2-13 Sec. 8837.051. COMPOSITION OF BOARD. (a) The district is

2-14 governed by a board of five directors appointed by the

2-15 commissioners court.

2-16 (b) Two directors must represent urban interests in the

2-17 district and three must represent agricultural interests in the

2-18 district.

2-19 Sec. 8837.052. TERMS OF DIRECTORS. (a) Directors serve

2-20 staggered four-year terms, with two or three directors' terms

2-21 expiring April 1 of each odd-numbered year.

2-22 (b) A director may serve consecutive terms.

2-23 (c) The commissioners court shall appoint a director to

2-24 succeed a serving director on or before the date the serving

2-25 director's term expires.

2-26 Sec. 8837.053. VACANCIES. If there is a vacancy on the

2-27 board, the commissioners court shall appoint a person to fill the

2-28 vacancy for the remainder of the term in a manner that meets the

2-29 representational requirements of Section 8837.051.

2-30 Sec. 8837.054. COMPENSATION. (a) Sections 36.060(a), (b),

2-31 and (d), Water Code, do not apply to the district.

2-32 (b) A director is entitled to receive compensation of not

2-33 more than \$50 a day for each day the director actually spends

2-34 performing the duties of a director. The compensation may not

2-35 exceed \$3,000 a year.

2-36 (c) The board may authorize a director to receive

2-37 reimbursement for the director's reasonable expenses incurred

2-38 while engaging in activities on behalf of the board.

2-39 [Sections 8837.055-8837.100 reserved for expansion]

2-40 SUBCHAPTER C. POWERS AND DUTIES

2-41 Sec. 8837.101. GENERAL POWERS. Except as otherwise

2-42 provided by this chapter, the district has all of the rights,

2-43 powers, privileges, functions, and duties provided by the general

2-44 law of this state applicable to groundwater conservation districts

2-45 created under Section 59, Article XVI, Texas Constitution.

2-46 Sec. 8837.102. PROHIBITION ON DISTRICT PURCHASE, SALE,

2-47 TRANSPORT, OR DISTRIBUTION OF WATER. The district may not

2-48 purchase, sell, transport, or distribute surface water or

2-49 groundwater for any purpose.

2-50 Sec. 8837.103. NO EMINENT DOMAIN POWER. The district may

2-51 not exercise the power of eminent domain.

2-52 [Sections 8837.104-8837.150 reserved for expansion]

2-53 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

2-54 Sec. 8837.151. LIMITATION ON TAXES. The district may not

2-55 impose ad valorem taxes at a rate that exceeds 1.5 cents on each

2-56 \$100 valuation of taxable property in the district.

2-57 Sec. 8837.152. FEES. (a) The board by rule may impose

2-58 reasonable fees on each well:

2-59 (1) for which a permit is issued by the district; and

2-60 (2) that is not exempt from district regulation.

2-61 (b) A production fee may be based on:

2-62 (1) the size of column pipe used by the well; or

2-63 (2) the amount of water actually withdrawn from the

2-64 well, or the amount authorized or anticipated to be withdrawn.

2-65 (c) The board shall base the initial production fee on the

2-66 criteria listed in Subsection (b)(2). The initial production fee:

2-67 (1) may not exceed:

2-68 (A) 25 cents per acre-foot for water used for

2-69 agricultural irrigation; or

3-1 (B) 4.25 cents per thousand gallons for water
3-2 used for any other purpose; and

3-3 (2) may be increased at a cumulative rate not to exceed
3-4 three percent per year.

3-5 (d) In addition to the production fee authorized under this
3-6 section, the district may assess an export fee on groundwater from a
3-7 well that is produced for transport outside the district.

3-8 (e) Fees authorized by this section may be:

3-9 (1) assessed annually;

3-10 (2) used to pay the cost of district operations; and

3-11 (3) used for any other purpose allowed under Chapter
3-12 36, Water Code.

3-13 Sec. 8837.153. LIMITATION ON INDEBTEDNESS. The district
3-14 may issue bonds and notes under Subchapter F, Chapter 36, Water
3-15 Code, except that the total indebtedness created by that issuance
3-16 may not exceed \$500,000 at any time.

3-17 SECTION 2. (a) The legal notice of the intention to
3-18 introduce this Act, setting forth the general substance of this
3-19 Act, has been published as provided by law, and the notice and a
3-20 copy of this Act have been furnished to all persons, agencies,
3-21 officials, or entities to which they are required to be furnished
3-22 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
3-23 Government Code.

3-24 (b) The governor has submitted the notice and Act to the
3-25 Texas Commission on Environmental Quality.

3-26 (c) The Texas Commission on Environmental Quality has filed
3-27 its recommendations relating to this Act with the governor,
3-28 lieutenant governor, and speaker of the house of representatives
3-29 within the required time.

3-30 (d) All requirements of the constitution and laws of this
3-31 state and the rules and procedures of the legislature with respect
3-32 to the notice, introduction, and passage of this Act are fulfilled
3-33 and accomplished.

3-34 SECTION 3. This Act takes effect September 1, 2011.

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