

1-1 By: Uresti S.B. No. 1491  
1-2 (In the Senate - Filed March 10, 2011; March 22, 2011, read  
1-3 first time and referred to Committee on Natural Resources;  
1-4 April 27, 2011, reported favorably by the following vote: Yeas 10,  
1-5 Nays 0; April 27, 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

district.

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

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

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

[Sections 8837.024-8837.050 reserved for expansion]

#### SUBCHAPTER B. BOARD OF DIRECTORS

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

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

Sec. 8837.052. TERMS OF DIRECTORS. (a) Directors serve staggered four-year terms, with two or three directors' terms expiring April 1 of each odd-numbered year.

(b) A director may serve consecutive terms.

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

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

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

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

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

[Sections 8837.055-8837.100 reserved for expansion]

#### SUBCHAPTER C. POWERS AND DUTIES

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

Sec. 8837.102. PROHIBITION ON DISTRICT PURCHASE, SALE, TRANSPORT, OR DISTRIBUTION OF WATER. The district may not purchase, sell, transport, or distribute surface water or groundwater for any purpose.

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

[Sections 8837.104-8837.150 reserved for expansion]

#### SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

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

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

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

(2) that is not exempt from district regulation.

(b) A production fee may be based on:

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

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

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

(1) may not exceed:

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

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

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

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

(e) Fees authorized by this section may be:

(1) assessed annually;

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

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

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

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

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

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

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

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

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