

SENATE AMENDMENTS

2nd Printing

By: Callegari

H.B. No. 725

A BILL TO BE ENTITLED

AN ACT

relating to the operation, powers, and duties of certain water districts.

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

SECTION 1. Section 388.005, Health and Safety Code, is amended by adding Subsections (g) and (h) to read as follows:

(g) Except as provided by Subsection (h), this section does not apply to the electricity consumption of a district as defined by Section 36.001 or 49.001, Water Code, that relates to the operation and maintenance of facilities or improvements for:

(1) wastewater collection and treatment;

(2) water supply and distribution; or

(3) storm water diversion, detention, or pumping.

(h) At least once every five years, a political subdivision that is a district as defined by Section 36.001 or 49.001, Water Code, shall for district facilities described by Subsection (g):

(1) evaluate the consumption of electricity;

(2) establish goals to reduce the consumption of electricity; and

(3) identify and implement cost-effective energy efficiency measures to reduce the consumption of electricity.

SECTION 2. Section 43.0751(a)(1), Local Government Code, is amended to read as follows:

(1) "District" means a conservation and reclamation

1 ~~[water control and improvement]~~ district ~~[or a municipal utility~~
2 ~~district created or]~~ operating under Chapter 49 ~~[51 or 54]~~, Water
3 Code. The term does not include a special utility district
4 operating under Chapter 65, Water Code, or a groundwater
5 conservation district operating under Chapter 36, Water Code.

6 SECTION 3. Section 43.0751, Local Government Code, is
7 amended by adding Subsection (r) to read as follows:

8 (r) To be annexed for limited purposes under this section,
9 an area must be:

10 (1) in the municipality's extraterritorial
11 jurisdiction; and

12 (2) contiguous to the corporate or limited purpose
13 boundaries of the municipality, unless the district consents to
14 noncontiguous annexation pursuant to a strategic partnership
15 agreement with the municipality.

16 SECTION 4. Section 375.161, Local Government Code, is
17 amended to read as follows:

18 Sec. 375.161. CERTAIN RESIDENTIAL PROPERTY EXEMPT. (a)
19 The board may not impose an impact fee, assessment, tax, or other
20 requirement for payment, construction, alteration, or dedication
21 under this chapter on single-family detached residential property,
22 duplexes, triplexes, and quadraplexes.

23 (b) This section does not apply to an impact fee,
24 assessment, tax, or other requirement for payment for water, sewer,
25 drainage, reclamation, flood control, road, or park and
26 recreational services or improvements of a district operating under
27 this chapter that provides, or proposes to provide, those services

1 or improvements.

2 SECTION 5. Section 552.014, Local Government Code, is
3 amended to read as follows:

4 Sec. 552.014. CONTRACTS WITH WATER DISTRICTS OR NONPROFIT
5 CORPORATIONS. (a) In this section:

6 (1) "Project" means a water supply or treatment
7 system, a water distribution system, a sanitary sewage collection
8 or treatment system, works or improvements necessary for drainage
9 of land, recreational facilities, roads and improvements in aid of
10 roads, or facilities to provide firefighting services.

11 (2) "Water district" [~~,"water district"~~] means a
12 district created under Article XVI, Section 59, of the Texas
13 Constitution.

14 (b) A municipality may enter into a contract with a water
15 district or with a corporation organized to be operated without
16 profit under which the district or corporation will acquire for the
17 benefit of and convey to the municipality, either separately or
18 together, one or more projects [~~a water supply or treatment system,~~
19 ~~a water distribution system, a sanitary sewage collection or~~
20 ~~treatment system, or works or improvements necessary for drainage~~
21 ~~of land in the municipality]~~. In connection with the acquisition,
22 the district or corporation shall improve, enlarge, or extend the
23 existing municipal facilities as provided by the contract.

24 (c) If the contract provides that the municipality assumes
25 ownership of the project [~~water, sewer, or drainage system]~~ on
26 completion of construction or at the time that all debt incurred by
27 the district or corporation in the acquisition, construction,

1 improvement, or extension of the project [~~system~~] is paid in full,
2 the municipality may make payments to the district or corporation
3 for project [~~water, sewer, or drainage~~] services to part or all of
4 the residents of the municipality. The contract may provide for
5 purchase of the project [~~system~~] by the municipality through
6 periodic payments to the district or corporation in amounts that,
7 together with the net income of the district or corporation, are
8 sufficient to pay the principal of and interest on the bonds of the
9 district or corporation as they become due. The contract may
10 provide:

11 (1) that any payments due under this section are
12 payable from and are secured by a pledge of a specified part of the
13 revenues of the municipality, including revenues from municipal
14 sales and use taxes [~~municipal water system, sewer system, or~~
15 ~~drainage system~~];

16 (2) for the levying of a tax to make payments due under
17 this section; or

18 (3) that the payments due under this section be made
19 from a combination of revenues [~~from the system~~] and taxes.

20 (d) The contract may provide that the district or
21 corporation may use the streets, alleys, and other public ways and
22 places of the municipality for project [~~water, sewer, or drainage~~]
23 purposes for a period that ends at the time the indebtedness of the
24 district or corporation is paid in full and the municipality
25 acquires title to the project [~~system~~] in accordance with this
26 section.

27 (e) The contract may provide for the operation of the

1 project [~~system~~] by the municipality, and, if so authorized, the
2 municipality may operate the project [~~system~~].

3 (f) A contract under this section must be authorized by a
4 majority vote of the governing body of the municipality.

5 (g) This section does not authorize a water district or
6 corporation described by Subsection (b) to participate in a project
7 that the water district or corporation is not authorized to
8 participate in under other law.

9 SECTION 6. Section 49.059, Water Code, is amended to read as
10 follows:

11 Sec. 49.059. [~~DISQUALIFICATION OF~~] TAX ASSESSOR AND
12 COLLECTOR. (a) The district may employ or contract with any person
13 to serve as its tax assessor and collector who is:

14 (1) an individual certified as a registered Texas
15 assessor-collector; or

16 (2) a firm, organization, association, partnership,
17 corporation, or other legal entity if an individual certified as a
18 registered Texas assessor-collector owns an interest in or is
19 employed by the firm, organization, association, partnership,
20 corporation, or other legal entity.

21 (b) A tax assessor and collector employed or contracted for
22 under this section is not required to be a natural person.

23 (c) A firm, organization, association, partnership,
24 corporation, or other legal entity serving as district tax assessor
25 and collector shall give a bond as required by Section 49.057 for a
26 natural person.

27 (d) No person may serve as tax assessor and collector of a

1 district providing potable water or sewer utility services to
2 household users if that person:

3 (1) is a natural person related within the third
4 degree of affinity or consanguinity to any developer of property in
5 the district, a member of the board, or the manager, engineer, or
6 attorney for the district;

7 (2) is or was within two years immediately preceding
8 the assumption of assessment and collection duties with the
9 district an employee of any developer of property in the district or
10 any director, manager, engineer, or attorney for the district;

11 (3) owns an interest in or is employed by any
12 corporation organized for the purpose of tax assessment and
13 collection services, a substantial portion of the stock of which is
14 owned by a developer of property within the district or any
15 director, manager, engineer, or attorney for the district; or

16 (4) is directly or through a corporation developing
17 land in the district or is a director, engineer, or attorney for the
18 district.

19 (e) [~~(b)~~] Within 60 days after the board determines a
20 relationship or employment exists which constitutes a
21 disqualification under Subsection (d) [~~(a)~~], it shall replace the
22 person serving as tax assessor and collector with a person who would
23 not be disqualified.

24 (f) [~~(e)~~] Any person who wilfully violates the provisions
25 of Subsection (d) [~~(a)~~] is guilty of a misdemeanor and on conviction
26 shall be fined not less than \$100 nor more than \$1,000.

27 (g) [~~(d)~~] As used in this section, "developer of property in

1 the district" has the same meaning as in Section 49.052(d).

2 SECTION 7. Section 49.063, Water Code, is amended to read as
3 follows:

4 Sec. 49.063. NOTICE OF MEETINGS. (a) Notice of meetings of
5 the board shall be given as set forth in the open meetings law,
6 Chapter 551, Government Code, except that if a district does not
7 have a meeting place within the district, the district shall post
8 notice of its meeting at a public place within the district
9 specified by the board in a written resolution, rather than at its
10 administrative office. The board shall specify such public place
11 to be a bulletin board or other place within the district which is
12 reasonably available to the public.

13 (b) The validity of an action taken at a board meeting is not
14 affected by:

15 (1) [~~Neither~~] failure to provide notice of the meeting
16 if the meeting is a regular meeting;

17 (2) [~~nor~~] an insubstantial defect in notice of the
18 [~~any~~] meeting; or

19 (3) failure of a county clerk to timely or properly
20 post or maintain public access to a notice of the meeting if notice
21 of the meeting is furnished to the county clerk in sufficient time
22 for posting under Section 551.043(a) or 551.045, Government Code
23 [~~shall affect the validity of any action taken at the meeting~~].

24 SECTION 8. Sections 49.102(a), (b), (c), and (h), Water
25 Code, are amended to read as follows:

26 (a) Before issuing any bonds or other obligations, an
27 election shall be held within the boundaries of the proposed

1 district on a uniform election date provided by Section 41.001,
2 Election Code, to determine if the proposed district shall be
3 established and, if the directors of the district are required by
4 law to be elected, to elect permanent directors.

5 (b) Notice of a confirmation or director election shall
6 state the day and place or places for holding the election, the
7 propositions to be voted on, and, if applicable, the number of
8 directors to be voted on.

9 (c) The ballots for a confirmation election shall be printed
10 to provide for voting "For District" and "Against District."
11 Ballots for a directors election shall provide the names of the
12 persons appointed by the governing body who qualified and are
13 serving as temporary directors at the time the election is called.
14 If the district has received an application by a write-in
15 candidate, the ~~[The]~~ ballots shall also have blank places after the
16 names of the temporary directors in which a voter may write the
17 names of any candidates appearing on the list of write-in
18 candidates required by Section 146.031, Election Code ~~[other~~
19 ~~persons for directors]~~.

20 (h) Unless otherwise agreed, the elected directors shall
21 decide the initial terms of office by lot, with a simple majority of
22 the elected directors serving until the second succeeding directors
23 election and the remaining elected directors serving until the next
24 directors election.

25 SECTION 9. Sections 49.103(a) and (b), Water Code, are
26 amended to read as follows:

27 (a) Except as provided by Section 49.102, the members of the

1 board of a district shall serve staggered [~~for~~] four-year terms.

2 (b) After confirmation of a district, an [~~An~~] election shall
3 be held on the uniform election date, provided by Section 41.001,
4 [~~established by the~~] Election Code, in May of each even-numbered
5 year to elect the appropriate number of directors.

6 SECTION 10. Subchapter D, Chapter 49, Water Code, is
7 amended by adding Section 49.1045 to read as follows:

8 Sec. 49.1045. CERTIFICATION OF ELECTION RESULTS IN LESS
9 POPULOUS DISTRICTS. (a) This section applies only to a district
10 that:

11 (1) has 10 or fewer registered voters; and

12 (2) holds an election jointly with a county in which
13 the district is wholly or partly located.

14 (b) A district may provide for an inquiry into and
15 certification of the voting results of an election under this
16 section if:

17 (1) the election results indicate that the number of
18 votes cast in the election was greater than the number of registered
19 voters in the district;

20 (2) the board determines that the election results are
21 likely to be disputed in court; and

22 (3) the board can determine from the official list of
23 registered voters prepared by the county voter registrar or county
24 elections administrator for the district election which voters were
25 qualified to vote in the district election and can determine from
26 the signature roster from the joint election who voted in the joint
27 election.

1 (c) To certify the district votes, the board by rule shall
2 adopt a procedure to determine for each person who signed the
3 signature roster as a voter in the joint election:

4 (1) whether the person's address on the day of the
5 election was in the district; and

6 (2) how the person voted in the district election.

7 (d) The certified votes are the official election results.

8 (e) Certification of the results under this section does not
9 preclude the filing of an election contest.

10 SECTION 11. Sections 49.105(c) and (d), Water Code, are
11 amended to read as follows:

12 (c) If the number of directors is reduced to fewer than a
13 majority or if a vacancy continues beyond the 90th day after the
14 date the vacancy occurs, the vacancy or vacancies may [~~shall~~] be
15 filled by appointment by the commission if the district is required
16 by Section 49.181 to obtain commission approval of its bonds or by
17 the county commissioners court if the district was created by the
18 county commissioners court, regardless of whether a petition has
19 been presented to the board under Subsection (b). An appointed
20 director shall serve for the unexpired term of the director he or
21 she is replacing.

22 (d) In the event of a failure to elect one or more members of
23 the board of a district resulting from the absence of, or failure to
24 vote by, the qualified voters in an election held by the district,
25 the current members of the board or temporary board holding the
26 positions not filled at such election shall be deemed to have been
27 elected [~~reelected~~] and shall serve an additional term of office,

1 or, in the case of a temporary board member deemed elected under
2 this subsection, the initial term of office.

3 SECTION 12. Section 49.108, Water Code, is amended by
4 adding Subsections (g), (h), and (i) to read as follows:

5 (g) On or before the first day for early voting by personal
6 appearance at an election held to authorize a contract, a
7 substantially final form of the contract must be filed in the office
8 of the district and must be open to inspection by the public. The
9 contract is not required to be attached as an exhibit to the order
10 calling the election to authorize the contract.

11 (h) A single contract may contain multiple purposes or
12 provisions for multiple facilities authorized by one or more
13 constitutional provisions. The contract may generally describe the
14 facilities to be acquired or financed by the district without
15 reference to specific constitutional provisions. A contract
16 described by this subsection may be submitted for approval in a
17 single proposition at an election.

18 (i) A contract between districts to provide facilities or
19 services is not required to specify the maximum amount of bonds or
20 expenditures authorized under the contract if:

21 (1) the contract provides that the service area cannot
22 be enlarged without the consent of at least two-thirds of the boards
23 of directors of the districts that are:

24 (A) included in the service area as proposed to
25 be enlarged; or

26 (B) served by the facilities or services provided
27 in the contract;

1 (2) the contract provides that bonds or expenditures,
2 payable wholly or partly from contract taxes, are issued or made:

3 (A) on an emergency basis; or

4 (B) to purchase, construct, acquire, own,
5 operate, repair, improve, or extend services or facilities
6 necessary to comply with changes in applicable regulatory
7 requirements; or

8 (3) the contract provides that the bonds or
9 expenditures require prior approval by any district that is
10 obligated to pay debt service on those bonds or to pay for those
11 expenditures wholly or partly with contract taxes.

12 SECTION 13. Subchapter D, Chapter 49, Water Code, is
13 amended by adding Sections 49.109, 49.110, 49.111, 49.112, and
14 49.113 to read as follows:

15 Sec. 49.109. AGENT DURING ELECTION PERIOD. The board may
16 appoint a person, including a district officer, employee, or
17 consultant, to serve as the district's agent under Section 31.123,
18 Election Code.

19 Sec. 49.110. ELECTION JUDGE. (a) The notice requirements
20 for the appointment of a presiding election judge under Section
21 32.009, Election Code, do not apply to an election held by a
22 district.

23 (b) To serve as an election judge in an election held by a
24 district, a person must be a registered voter of the county in which
25 the district is wholly or partly located. To the extent of any
26 conflict with Section 32.051, Election Code, this section controls.

27 Sec. 49.111. EXEMPTIONS FROM USE OF ACCESSIBLE VOTING

1 SYSTEMS. (a) Notwithstanding Sections 61.012 and 61.013, Election
2 Code, a district is exempt from the acquisition, lease, or use of an
3 electronic voting system for an election if:

4 (1) the election is a confirmation election or an
5 election held jointly with a confirmation election on the same date
6 and in conjunction with the confirmation election, except for an
7 election in which a federal office appears on the ballot;

8 (2) the most recently scheduled district directors'
9 election was not held, as provided by Section 2.053(b), Election
10 Code; or

11 (3) fewer than 250 voters voted at the most recently
12 held district directors' election.

13 (b) A district eligible for the exemption under Subsection
14 (a) must publish notice in a newspaper of general circulation in an
15 area that includes the district or mail notice to each voter in the
16 district regarding the district's intention to hold an election
17 without providing a voting station that meets the requirements for
18 accessibility under 42 U.S.C. Section 15481(a)(3) on election day
19 and during the period for early voting by personal appearance. The
20 notice must be published or mailed not later than the later of:

21 (1) the 75th day before the date of the election; or

22 (2) the date on which the district adopts the order
23 calling the election.

24 (c) The notice required by Subsection (b) must:

25 (1) provide that any voter in the district may request
26 the use of a voting station that meets the accessibility
27 requirements for voting by a person with a disability; and

1 (2) provide information on how to submit such a
2 request.

3 (d) The district shall comply with a request for an
4 accessible voting station if the request is received not later than
5 the 45th day before the date of the election.

6 Sec. 49.112. CANCELLATION OF ELECTION; REMOVAL OF BALLOT
7 MEASURE. Before the first day of early voting by personal
8 appearance, the board by order or resolution may cancel an election
9 called at the discretion of the district or may remove from the
10 ballot a measure included at the discretion of the district. A copy
11 of the order or resolution must be posted during the period for
12 early voting by personal appearance and on election day at each
13 polling place that is used or that would have been used in the
14 election.

15 Sec. 49.113. NOTICE FOR FILING FOR PLACE ON BALLOT. A
16 notice required by Section 141.040, Election Code, must be posted
17 at the district's administrative office in the district or at the
18 public place established by the district under Section 49.063 of
19 this chapter not later than the 30th day before the deadline for a
20 candidate to file an application for a place on the ballot of a
21 district directors' election.

22 SECTION 14. Section 49.151(c), Water Code, is amended to
23 read as follows:

24 (c) The board may allow disbursements of district money to
25 be transferred by federal reserve wire system or by electronic
26 means. The board by resolution may allow the wire or electronic
27 transfers to accounts in the name of the district or accounts not in

1 the name of the district.

2 SECTION 15. Sections 49.154(a) and (c), Water Code, are
3 amended to read as follows:

4 (a) The board may declare an emergency in the matter of
5 funds not being available to pay principal of and interest on any
6 bonds of the district payable in whole or in part from taxes or to
7 meet any other needs of the district and may issue [~~negotiable~~] tax
8 anticipation notes or [~~negotiable~~] bond anticipation notes to
9 borrow the money needed by the district without advertising or
10 giving notice of the sale. A district's bond anticipation notes or
11 tax anticipation notes are negotiable instruments within the
12 meaning and purposes of the Business & Commerce Code
13 notwithstanding any provision to the contrary in that code. Bond
14 anticipation notes and tax anticipation notes shall mature within
15 one year of their date.

16 (c) Bond anticipation notes may be issued for any purpose
17 for which bonds of the district may be issued [~~have previously been~~
18 ~~voted~~] or [~~may be issued~~] for the purpose of refunding previously
19 issued bond anticipation notes. A district may covenant with the
20 purchasers of the bond anticipation notes that the district will
21 use the proceeds of sale of any bonds in the process of issuance for
22 the purpose of refunding the bond anticipation notes, in which case
23 the board will be required to use the proceeds received from sale of
24 the bonds in the process of issuance to pay principal, interest, or
25 redemption price on the bond anticipation notes.

26 SECTION 16. Section 49.181(a), Water Code, is amended to
27 read as follows:

1 (a) A district may not issue bonds to finance a project for
2 which the commission has adopted rules requiring review and
3 approval unless the commission determines that the project [~~to be~~
4 ~~financed by the bonds~~] is feasible and issues an order approving the
5 issuance of the bonds. This section does not apply to:

6 (1) refunding bonds if the commission issued an order
7 approving the issuance of the bonds or notes that originally
8 financed the project;

9 (2) refunding bonds that are issued by a district
10 under an agreement between the district and a municipality allowing
11 the issuance of the district's bonds to refund bonds issued by the
12 municipality to pay the cost of financing facilities;

13 (3) bonds issued to and approved by the Farmers Home
14 Administration, the United States Department of Agriculture, the
15 North American Development Bank, or the Texas Water Development
16 Board; or

17 (4) refunding bonds issued to refund bonds described
18 by Subdivision (3).

19 SECTION 17. Section 49.194, Water Code, is amended by
20 amending Subsections (a), (b), and (c) and adding Subsection (h) to
21 read as follows:

22 (a) Except as provided by Subsection (h), after [~~After~~] the
23 board has approved the audit report, it shall submit a copy of the
24 report to the executive director for filing within 135 days after
25 the close of the district's fiscal year.

26 (b) Except as provided by Subsection (h), if [~~if~~] the board
27 refuses to approve the annual audit report, the board shall submit a

1 copy of the report to the executive director for filing within 135
2 days after the close of the district's fiscal year, accompanied by a
3 statement from the board explaining the reasons for its failure to
4 approve the report.

5 (c) Copies of the audit report, the annual financial
6 dormancy affidavit, or annual financial report described in
7 Sections 49.197 and 49.198 shall be filed annually in the office of
8 the district.

9 (h) A special water authority shall submit a copy of the
10 audit report to the executive director for filing not later than the
11 160th day after the date the special water authority's fiscal year
12 ends.

13 SECTION 18. Section 49.212, Water Code, is amended by
14 amending Subsection (d) and adding Subsections (d-1) and (d-2) to
15 read as follows:

16 (d) Notwithstanding any provision of law to the contrary, a
17 district that charges a fee that is an impact fee as described in
18 Section 395.001(4), Local Government Code, must comply with Chapter
19 395, Local Government Code. A charge or fee is not an impact fee
20 under that chapter if:

21 (1) the charge or fee is imposed by a district for
22 construction, installation, or inspection of a tap or connection to
23 district water, sanitary sewer, or drainage facilities, including
24 all necessary service lines and meters, for capacity in storm water
25 detention or retention facilities and related storm water
26 conveyances, or for wholesale facilities that serve such water,
27 sanitary sewer, [~~or~~] drainage, or storm water detention or

1 retention facilities; and

2 (2) the charge or fee:

3 (A) [~~that (i)~~] does not exceed three times the
4 actual [~~and reasonable~~] costs to the district for such tap or
5 connection;

6 (B) [~~(ii)~~] if made to a nontaxable entity for
7 retail or wholesale service, does not exceed the actual costs to the
8 district for such work and for all facilities that are necessary to
9 provide district services to such entity and that are financed or
10 are to be financed in whole or in part by tax-supported or revenue
11 bonds of the district; i [~~r~~] or

12 (C) is [~~(iii) if~~] made by a district for retail or
13 wholesale service on land that at the time of platting was not being
14 provided with water, or [~~or~~] wastewater, drainage, or storm water
15 detention or retention service by the district [~~, shall not be~~
16 ~~deemed to be an impact fee under Chapter 395, Local Government~~
17 ~~Code~~].

18 (d-1) Actual costs under Subsection (d), as determined by
19 the board in its reasonable discretion, may include nonconstruction
20 expenses attributable to the design, permitting, financing, and
21 construction of those facilities, and reasonable interest on those
22 costs calculated at a rate not to exceed the net effective interest
23 rate on any district bonds issued to finance the facilities.

24 (d-2) A district may pledge the revenues of the district's
25 utility system to pay the principal of or interest on bonds issued
26 to construct the capital improvements for which a fee is [~~was~~]
27 imposed under Subsection (d) [~~this subsection~~], and money received

1 from the fees shall be considered revenues of the district's
2 utility system for purposes of the district's bond covenants.

3 SECTION 19. Section 49.2121(b), Water Code, is amended to
4 read as follows:

5 (b) A district may:

6 (1) accept a credit card for the payment of any fees
7 and charges imposed by the district;

8 (2) collect a fee~~[, not to exceed five percent of the~~
9 ~~amount of the fee or charge being paid,]~~ that is reasonably related
10 to the expense incurred by the district in processing the payment by
11 credit card; and

12 (3) collect a service charge for the expense incurred
13 by the district in collecting the original fee or charge if the
14 payment by credit card is not honored by the credit card company on
15 which the funds are drawn.

16 SECTION 20. Section 49.216, Water Code, is amended by
17 amending Subsection (e) and adding Subsection (f) to read as
18 follows:

19 (e) Any peace officer who is directly employed by a
20 district, before beginning to perform any duties and at the time of
21 appointment, must take an oath and execute a bond conditioned on
22 faithful performance of such officer's duties in the amount of
23 \$1,000 payable to the district. The oath and the bond shall be
24 filed in the district office.

25 (f) A peace officer contracted for by the district,
26 individually or through a county, sheriff, constable, or
27 municipality, is an independent contractor, and the district is

1 responsible for the acts or omissions of the peace officer only to
2 the extent provided by law for other independent contractors.

3 SECTION 21. Sections 49.273(d) and (e), Water Code, are
4 amended to read as follows:

5 (d) For contracts over \$75,000 [~~\$50,000~~], the board shall
6 advertise the letting of the contract, including the general
7 conditions, time, and place of opening of sealed bids. The notice
8 must [~~shall~~] be published in one or more newspapers circulated in
9 each county in which [~~part of~~] the district is located. [~~If one~~
10 ~~newspaper meets both of these requirements, publication in such~~
11 ~~newspaper is sufficient.~~] If there are more than four counties in
12 the district, notice may be published in any newspaper with general
13 circulation in the district. The notice must [~~shall~~] be published
14 once a week for two consecutive weeks before the date that the bids
15 are opened, and the first publication must [~~shall~~] be not later than
16 the 14th [~~21st~~] day before the date of the opening of the sealed
17 bids.

18 (e) For contracts over \$25,000 but not more than \$75,000
19 [~~\$50,000~~], the board shall solicit written competitive bids on
20 uniform written specifications from at least three bidders.

21 SECTION 22. Section 49.351, Water Code, is amended by
22 amending Subsections (a), (b), (c), (f), (i), and (l) and adding
23 Subsection (m) to read as follows:

24 (a) A district providing potable water or sewer service to
25 household users may, separately or jointly with another district,
26 municipality, or other political subdivision, establish, operate,
27 and maintain, finance with ad valorem taxes, mandatory fees, or

1 voluntary contributions, and issue bonds for a fire department to
2 perform all fire-fighting services within the district as provided
3 in this subchapter and may provide for [~~issue bonds or impose a~~
4 ~~mandatory fee, with voter approval, for financing a plan approved~~
5 ~~in accordance with this section, including~~] the construction and
6 purchase of necessary buildings, facilities, land, and equipment
7 and the provision of an adequate water supply.

8 (b) After complying with the requirements of this section
9 [~~approval of the district electors of a plan to operate, jointly~~
10 ~~operate, or jointly fund the operation of a fire department, and~~
11 ~~after complying with Subsections (g), (h), and (i)~~], the district
12 or districts shall provide an adequate system and water supply for
13 fire-fighting purposes, may purchase necessary land, may construct
14 and purchase necessary buildings, facilities, and equipment, and
15 may employ or contract with a fire department to employ all
16 necessary personnel including supervisory personnel to operate the
17 fire department.

18 (c) For [~~Bonds for~~] financing a plan approved in accordance
19 with this section, bonds and ad valorem taxes must [~~shall~~] be
20 authorized and may be issued or imposed [~~, and a district shall be~~
21 ~~authorized to levy a tax to pay the principal of and interest on~~
22 ~~such bonds,~~] as provided by law for the authorization and issuance
23 of other bonds and the authorization and imposition of other ad
24 valorem taxes of the district.

25 (f) Before a district imposes an ad valorem tax or issues
26 bonds payable wholly or partly from ad valorem taxes to finance the
27 establishment of [~~establishes~~] a fire department, contracts to

1 operate a joint fire department, or contracts with another person
 2 to perform fire-fighting services within the district, the district
 3 must comply with ~~[the provisions of]~~ Subsections (g), (h), and (i).
 4 A district that funds fire-fighting services with revenue,
 5 including mandatory fees or voluntary contributions, is not
 6 required to comply with Subsections (g), (h), and (i).

7 (i) After approval of a plan by the commission, the district
 8 shall hold an ~~[submit to the electors of the district at the]~~
 9 election to approve the plan, approve bonds payable wholly or
 10 partly from ad valorem taxes, and ~~[or to]~~ impose ad valorem taxes ~~[a~~
 11 ~~mandatory fee]~~ for financing the plan. The election ~~[, or if no~~
 12 ~~bonds or fees are to be approved, at an election called for approval~~
 13 ~~of the plan, which]~~ may be held in conjunction with an election
 14 required by Section 49.102 ~~[, the proposition of whether or not the~~
 15 ~~plan should be implemented or entered into by the district].~~ [The
 16 ~~ballots at the election shall be printed, as applicable, to provide~~
 17 ~~for voting for or against the proposition: "The implementation of~~
 18 ~~the plan for (operation/joint operation) of a fire department", or~~
 19 ~~"The plan and contract to provide fire-fighting services for the~~
 20 ~~district."]~~

21 (1) A ~~[Notwithstanding the requirements of Subsections~~
 22 ~~(a)-(j), a]~~ district providing potable water or sewer service to
 23 household users may, as part of its billing process, collect from
 24 its customers a voluntary contribution on behalf of organizations
 25 providing fire-fighting services to the district. A district that
 26 chooses to collect a voluntary contribution under this subsection
 27 must give reasonable notice to its customers that the contribution

1 is voluntary. Water and sewer service may not be terminated as a
2 result of failure to pay the voluntary contribution.

3 (m) If a customer makes a partial payment of a district bill
4 for water or sewer service and includes with the payment a voluntary
5 contribution for fire-fighting services under Subsection (l), the
6 district shall apply the voluntary contribution first to the bill
7 for water or sewer service, including any interest or penalties
8 imposed. The district shall use any amount remaining for
9 fire-fighting services.

10 SECTION 23. Section 49.462(1), Water Code, is amended to
11 read as follows:

12 (1) "Recreational facilities" means parks,
13 landscaping, parkways, greenbelts, sidewalks, trails, public
14 right-of-way beautification projects, and recreational equipment
15 and facilities. The term includes associated street and security
16 lighting. The term does not include a minor improvement or
17 beautification project to land acquired or to be acquired as part of
18 a district's water, sewer, or drainage facilities.

19 SECTION 24. Subchapter N, Chapter 49, Water Code, is
20 amended by adding Section 49.4641 to read as follows:

21 Sec. 49.4641. RECREATIONAL FACILITIES ON SITES ACQUIRED FOR
22 WATER, SEWER, OR DRAINAGE FACILITIES. (a) A district may develop
23 and maintain recreational facilities on a site acquired for the
24 purpose of developing water, sewer, or drainage facilities.

25 (b) A district is not required to prorate the costs of a site
26 described by Subsection (a) between the primary water, sewer, or
27 drainage purpose and any secondary recreational facilities purpose

1 if a licensed professional engineer certifies that the site is
2 reasonably sized for the intended water, sewer, or drainage
3 purpose.

4 (c) The engineer may consider the following factors in
5 determining the reasonableness of the size of a water, sewer, or
6 drainage site:

7 (1) the rules, regulations, and design guidelines or
8 criteria of a municipality, county, or other entity exercising
9 jurisdiction;

10 (2) sound engineering principles;

11 (3) the impact on adjoining property;

12 (4) the availability of sites that meet the
13 requirements for the proposed use;

14 (5) requirements for sanitary control;

15 (6) the need for a buffer zone to mitigate noise or for
16 aesthetic purposes;

17 (7) benefits to storm water quality; and

18 (8) anticipated expansions of facilities resulting
19 from:

20 (A) future growth and demand for district
21 facilities; or

22 (B) changes in regulatory requirements.

23 SECTION 25. Sections 49.4645(a) and (b), Water Code, are
24 amended to read as follows:

25 (a) A district all or part of which is located in Bastrop
26 County, Bexar County, Waller County, Travis County, Williamson
27 County, Harris County, Galveston County, Brazoria County,

1 Montgomery County, or Fort Bend County may issue bonds supported by
2 ad valorem taxes to pay for the development and maintenance of
3 recreational facilities only if the bonds are authorized by a
4 majority vote of the ~~[qualified]~~ voters of the district voting in an
5 election held for that purpose. The outstanding principal amount
6 of bonds, notes, and other obligations issued to finance parks and
7 recreational facilities supported by ad valorem taxes ~~[payable from~~
8 ~~any source]~~ may not exceed an amount equal to one percent of the
9 value of the taxable property in the district or, if supported by
10 contract taxes under Section 49.108, may not exceed an amount equal
11 to one percent of the sum of the value of the taxable property in the
12 districts making payments under the contract as shown by the tax
13 rolls of the central appraisal district at the time of the issuance
14 of the bonds, notes, and other obligations or an amount greater than
15 the estimated cost provided in the park plan under Subsection (b),
16 whichever is smaller. An estimate of the value provided by the
17 central appraisal district may be used to establish the value of the
18 taxable property in the district or districts under this section.
19 The district may not issue bonds supported by ad valorem taxes to
20 pay for the development and maintenance of:

- 21 (1) indoor or outdoor swimming pools; or
22 (2) golf courses.

23 (b) On or before the 10th day before the first day for early
24 voting by personal appearance at ~~[Not later than the 10th day~~
25 ~~before]~~ an election ~~[is]~~ held to authorize the issuance of bonds for
26 the development and maintenance of recreational facilities, the
27 board shall file in the district office for review by the public a

1 park plan covering the land, improvements, facilities, and
2 equipment to be purchased or constructed and their estimated cost,
3 together with maps, plats, drawings, and data fully showing and
4 explaining the park plan. The park plan is not part of the
5 proposition to be voted on, ~~[and the park plan]~~ does not create a
6 contract with the voters, and may be amended at any time after the
7 election held to authorize the issuance of bonds for the
8 development and maintenance of recreational facilities provided
9 under the plan. The estimated cost stated in the amended park plan
10 may not exceed the amount of bonds authorized at that election.

11 SECTION 26. Section 51.072, Water Code, is amended to read
12 as follows:

13 Sec. 51.072. QUALIFICATIONS FOR DIRECTOR. (a) To be
14 qualified for election as a director, a person must:

15 (1) be a resident of the state;

16 (2) ~~[]~~ own land subject to taxation in the district or
17 be a qualified voter in the district; ~~[]~~ and

18 (3) be at least 18 years of age.

19 (b) Section 49.052 does not apply to a district governed by
20 this chapter whose principal purpose is providing water for
21 irrigation.

22 SECTION 27. Section 51.335, Water Code, is amended by
23 amending Subsection (b) and adding Subsection (c) to read as
24 follows:

25 (b) The district shall not usurp functions or duplicate a
26 service already adequately exercised or rendered by the other
27 governmental agency except:

1 (1) under a valid contract with the other governmental
2 agency; or

3 (2) as provided by Subsection (c).

4 (c) The district may finance, develop, and maintain
5 recreational facilities under Subchapter N, Chapter 49, even if
6 similar facilities may be provided by a political subdivision or
7 other governmental entity included wholly or partly in the
8 district.

9 SECTION 28. Section 51.523, Water Code, is amended to read
10 as follows:

11 Sec. 51.523. BALLOTS. The ballot for an election under this
12 subchapter shall be printed to provide for voting for or against
13 substantially the proposition: "Designation of the area, issuance
14 of bonds, [~~and~~] levy of a tax to retire the bonds, and levy of a
15 maintenance tax."

16 SECTION 29. Section 51.527, Water Code, is amended by
17 adding Subsection (c) to read as follows:

18 (c) After bonds issued for the defined area or designated
19 property are fully paid or defeased, the board may declare the
20 defined area dissolved or may repeal the designation of the
21 designated property. After that declaration or repeal, the board
22 shall cease imposing any special taxes authorized under the adopted
23 tax plan on the property located in the defined area or on the
24 designated property.

25 SECTION 30. Section 53.063(a), Water Code, is amended to
26 read as follows:

27 (a) Except as provided by Subsection (b), to be qualified

1 for election as a supervisor, a person must be:

2 (1) a resident of this state;

3 (2) the owner of taxable property in the district or a
4 qualified voter in the district; and

5 (3) at least 18 years of age.

6 SECTION 31. Section 54.016(f), Water Code, is amended to
7 read as follows:

8 (f) A city may provide in its written consent for the
9 inclusion of land in a district that is initially located wholly or
10 partly outside the corporate limits of the city that a contract
11 ("allocation agreement") between the district and the city be
12 entered into prior to the first issue of bonds, notes, warrants, or
13 other obligations of the district. The allocation agreement shall
14 contain the following provisions:

15 (1) a method by which the district shall continue to
16 exist following the annexation of all territory within the district
17 by the city, if the district is initially located outside the
18 corporate limits of the city;

19 (2) an allocation of the taxes or revenues of the
20 district or the city which will assure that, following the date of
21 the inclusion of all the district's territory within the corporate
22 limits of the city, the total annual ad valorem taxes collected by
23 the city and the district from taxable property within the district
24 does not exceed an amount greater than the city's ad valorem tax
25 upon such property;

26 (3) an allocation of governmental services to be
27 provided by the city or the district following the date of the

1 inclusion of all of the district's territory within the corporate
2 limits of the city; and

3 (4) such other terms and conditions as may be deemed
4 appropriate by the city.

5 SECTION 32. Section 54.236, Water Code, is amended to read
6 as follows:

7 Sec. 54.236. STREET OR SECURITY LIGHTING. (a) Subject to
8 the provisions of this section, a district may purchase, install,
9 operate, and maintain street lighting or security lighting within
10 public utility easements or public rights-of-way or property owned
11 by [~~within the boundaries of~~] the district.

12 (b) A district may not issue bonds supported by ad valorem
13 taxes to pay for the purchase, installation, and maintenance of
14 street or security lighting, except as authorized by Section 54.234
15 or Subchapter N, Chapter 49.

16 SECTION 33. Section 54.739, Water Code, is amended to read
17 as follows:

18 Sec. 54.739. SUBSTITUTING LAND OF EQUAL VALUE. After the
19 district is organized and has obtained voter approval for the
20 issuance of, or has sold, bonds payable wholly or partly from ad
21 valorem taxes [~~acquires facilities with which to function for the~~
22 ~~purposes for which it was organized, and votes, issues and sells~~
23 ~~bonds for such purposes~~], land within the district boundaries
24 subject to taxation that does not need or utilize the services of
25 the district may be excluded and other land not within the
26 boundaries of the district may be included within the boundaries of
27 the district without impairment of the security for payment of the

1 bonds or invalidation of any prior bond election, as provided by
2 this section and Sections 54.740 through 54.747.

3 SECTION 34. Section 54.744, Water Code, is amended to read
4 as follows:

5 Sec. 54.744. IMPAIRMENT OF SECURITY. (a) For purposes of
6 the board's consideration of the applications, the lands proposed
7 for inclusion shall be deemed to be sufficient to avoid an
8 impairment of the security for payment of obligations of the
9 district if:

10 (1) according to the most recent tax roll of the
11 district or the most recently certified estimates of taxable value
12 from the chief appraiser of the appropriate appraisal district, the
13 taxable value of such included lands equals or exceeds the taxable
14 value of the excluded lands; and

15 (2) either the estimated costs of providing district
16 facilities and services to such included lands is equal to or less
17 than the estimated costs of providing district facilities and
18 services to the excluded lands or any increased estimated costs of
19 providing district facilities and services to the included land, as
20 determined by the district's engineer, can be amortized at
21 prevailing bond interest rates and maturity schedules and the
22 prevailing debt service tax rate of the district, as determined by
23 the district's professional financial advisor, when applied to the
24 increase in taxable value of the included land over the taxable
25 value of the excluded land. [~~and~~]

26 (b) If the district has any [~~(3) the district's~~]
27 outstanding bonds or contract obligations [~~are~~] payable in whole or

1 in part by a pledge of net revenues from the ownership or operation
2 of the district's facilities at the time the board considers an
3 application, the lands proposed for inclusion shall be deemed to be
4 sufficient to avoid an impairment of the security for payment of
5 obligations of the district if [~~and~~] the projected net revenues to
6 be derived from the lands to be included during the succeeding
7 12-month period, as determined by the district's engineer, equals
8 or exceeds the projected net revenues that would otherwise have
9 been derived from the lands to be excluded during the same period.

10 (c) In this section, the taxable value of included land
11 means the market value of the land if, before or contemporaneously
12 with the inclusion of the land in the district, the owner of the
13 land waives the right to special appraisal of the land as to the
14 district under Section 23.20, Tax Code.

15 SECTION 35. Section 49.103(g), Water Code, is repealed.

16 SECTION 36. The legislature finds that an agreement entered
17 into before September 1, 2011, by a municipality and a municipal
18 utility district is an allocation agreement only if:

19 (1) the district is initially located wholly or partly
20 outside the corporate limits of the municipality;

21 (2) the agreement strictly complies with the
22 requirements of Section 54.016(f), Water Code, as that section
23 existed immediately before the effective date of this Act; and

24 (3) the agreement is specifically designated by the
25 parties to the agreement as an "allocation agreement" under Section
26 54.016(f), Water Code.

27 SECTION 37. Not later than December 1, 2011, the Texas

1 Commission on Environmental Quality shall adopt any rules or
2 amendments to existing rules necessary to implement Section
3 49.4641, Water Code, as added by this Act.

4 SECTION 38. (a) Except as provided by Subsection (b) of
5 this section, this Act takes effect September 1, 2011.

6 (b) Sections 54.739 and 54.744, Water Code, as amended by
7 this Act, take effect immediately if this Act receives a vote of
8 two-thirds of all the members elected to each house, as provided by
9 Section 39, Article III, Texas Constitution; otherwise, those
10 sections take effect September 1, 2011.

ADOPTED

MAY 21 2011

Adair Spaw
Secretary of the Senate

By: Callegari/Fraser

H.B. No. 725

Substitute the following for H.B. No. 725:

By: Ry Fran

C.S.H.B. No. 725

A BILL TO BE ENTITLED

AN ACT

relating to the operation, powers, and duties of certain water districts.

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

SECTION 1. Section 388.005, Health and Safety Code, is amended by adding Subsections (g) and (h) to read as follows:

(g) Except as provided by Subsection (h), this section does not apply to the electricity consumption of a district as defined by Section 36.001 or 49.001, Water Code, that relates to the operation and maintenance of facilities or improvements for:

- (1) wastewater collection and treatment;
- (2) water supply and distribution; or
- (3) storm water diversion, detention, or pumping.

(h) At least once every five years, a political subdivision that is a district as defined by Section 36.001 or 49.001, Water Code, shall for district facilities described by Subsection (g):

- (1) evaluate the consumption of electricity;
- (2) establish goals to reduce the consumption of electricity; and
- (3) identify and implement cost-effective energy efficiency measures to reduce the consumption of electricity.

SECTION 2. Section 43.0751(a)(1), Local Government Code, is

amended to read as follows:

(1) "District" means a conservation and reclamation ~~[water control and improvement]~~ district ~~[or a municipal utility district created or]~~ operating under Chapter 49 ~~[51 or 54]~~, Water Code. The term does not include a special utility district operating under Chapter 65, Water Code, or a groundwater conservation district operating under Chapter 36, Water Code.

SECTION 3. Section 43.0751, Local Government Code, is amended by adding Subsection (r) to read as follows:

(r) To be annexed for limited purposes under this section, an area must be:

(1) in the municipality's extraterritorial jurisdiction;
and

(2) contiguous to the corporate or limited purpose boundaries of the municipality, unless the district consents to noncontiguous annexation pursuant to a strategic partnership agreement with the municipality.

SECTION 4. Section 375.161, Local Government Code, is amended to read as follows:

Sec. 375.161. CERTAIN RESIDENTIAL PROPERTY EXEMPT. (a) The board may not impose an impact fee, assessment, tax, or other requirement for payment, construction, alteration, or dedication under this chapter on single-family detached residential property, duplexes, triplexes, and quadraplexes.

(b) This section does not apply to an impact fee, assessment,

tax, or other requirement for payment for water, sewer, drainage, reclamation, flood control, road, or park and recreational services or improvements of a district operating under this chapter that provides, or proposes to provide, those services or improvements.

SECTION 5. Section 552.014, Local Government Code, is amended to read as follows:

Sec. 552.014. CONTRACTS WITH WATER DISTRICTS OR NONPROFIT CORPORATIONS. (a) In this section:

(1) "Project" means a water supply or treatment system, a water distribution system, a sanitary sewage collection or treatment system, works or improvements necessary for drainage of land, recreational facilities, roads and improvements in aid of roads, or facilities to provide firefighting services.

(2) "Water district" [~~"water district"~~] means a district created under Article XVI, Section 59, of the Texas Constitution.

(b) A municipality may enter into a contract with a water district or with a corporation organized to be operated without profit under which the district or corporation will acquire for the benefit of and convey to the municipality, either separately or together, one or more projects [~~a water supply or treatment system, a water distribution system, a sanitary sewage collection or treatment system, or works or improvements necessary for drainage of land in the municipality~~]. In connection with the acquisition, the district or corporation shall improve, enlarge, or extend the

existing municipal facilities as provided by the contract.

(c) If the contract provides that the municipality assumes ownership of the project [~~water, sewer, or drainage system~~] on completion of construction or at the time that all debt incurred by the district or corporation in the acquisition, construction, improvement, or extension of the project [~~system~~] is paid in full, the municipality may make payments to the district or corporation for project [~~water, sewer, or drainage~~] services to part or all of the residents of the municipality. The contract may provide for purchase of the project [~~system~~] by the municipality through periodic payments to the district or corporation in amounts that, together with the net income of the district or corporation, are sufficient to pay the principal of and interest on the bonds of the district or corporation as they become due. The contract may provide:

(1) that any payments due under this section are payable from and are secured by a pledge of a specified part of the revenues of the municipality, including revenues from municipal sales and use taxes [~~municipal water system, sewer system, or drainage system~~];

(2) for the levying of a tax to make payments due under this section; or

(3) that the payments due under this section be made from a combination of revenues [~~from the system~~] and taxes.

(d) The contract may provide that the district or corporation

may use the streets, alleys, and other public ways and places of the municipality for project [~~water, sewer, or drainage~~] purposes for a period that ends at the time the indebtedness of the district or corporation is paid in full and the municipality acquires title to the project [~~system~~] in accordance with this section.

(e) The contract may provide for the operation of the project [~~system~~] by the municipality, and, if so authorized, the municipality may operate the project [~~system~~].

(f) A contract under this section must be authorized by a majority vote of the governing body of the municipality.

(g) This section does not authorize a water district or corporation described by Subsection (b) to participate in a project that the water district or corporation is not authorized to participate in under other law.

SECTION 6. Section 13.247, Water Code, is amended by adding Subsections (a-1) and (a-2) to read as follows:

(a-1) Subsection (a-2) applies only to a municipality that:

(1) has a population of more than 95,000 and is in a county that has a population of more than 200,000 and borders Lake Palestine;

(2) has a population of more than 30,000 and is in a county that has a population of less than 90,000 and borders Lake Ray Hubbard;

(3) has a population of more than 4,500 and that:

(A) borders Lake Lyndon B. Johnson; and

(B) is located in a county that has a population of less than 45,000 and in which at least one state park and one national wildlife refuge are located; or

(4) has a population of less than 3,000 and is located wholly or partly in a county with a population of more than 1.7 million and that is adjacent to a county with a population of more than two million.

(a-2) Notwithstanding Subsection (a), a municipality described by Subsection (a-1) may provide retail water and sewer utility service in an area certificated to another retail public utility without first having obtained from the commission a certificate of public convenience and necessity that includes the area to be served if:

(1) the area is located within the boundaries of the municipality; and

(2) the municipality provides notice to the commission and the other retail public utility before the municipality begins providing service to the area.

SECTION 7. Section 36.0151, Water Code, is amended by adding Subsections (c) and (d) to read as follows:

(c) The commission may not create a groundwater conservation district under this section in a county:

(1) in which the annual amount of surface water used is more than 50 times the annual amount of groundwater produced;

(2) that is located in a priority groundwater management

area; and

(3) that has a population greater than 2.3 million.

(d) To the extent of a conflict between this section and Section 35.012, this section prevails.

SECTION 8. Section 49.059, Water Code, is amended to read as follows:

Sec. 49.059. [~~DISQUALIFICATION OF~~] TAX ASSESSOR AND COLLECTOR. (a) The district may employ or contract with any person to serve as its tax assessor and collector who is:

(1) an individual certified as a registered Texas assessor-collector; or

(2) a firm, organization, association, partnership, corporation, or other legal entity if an individual certified as a registered Texas assessor-collector owns an interest in or is employed by the firm, organization, association, partnership, corporation, or other legal entity.

(b) A tax assessor and collector employed or contracted for under this section is not required to be a natural person.

(c) A firm, organization, association, partnership, corporation, or other legal entity serving as district tax assessor and collector shall give a bond as required by Section 49.057 for a natural person.

(d) No person may serve as tax assessor and collector of a district providing potable water or sewer utility services to household users if that person:

(1) is a natural person related within the third degree of affinity or consanguinity to any developer of property in the district, a member of the board, or the manager, engineer, or attorney for the district;

(2) is or was within two years immediately preceding the assumption of assessment and collection duties with the district an employee of any developer of property in the district or any director, manager, engineer, or attorney for the district;

(3) owns an interest in or is employed by any corporation organized for the purpose of tax assessment and collection services, a substantial portion of the stock of which is owned by a developer of property within the district or any director, manager, engineer, or attorney for the district; or

(4) is directly or through a corporation developing land in the district or is a director, engineer, or attorney for the district.

(e) [~~(b)~~] Within 60 days after the board determines a relationship or employment exists which constitutes a disqualification under Subsection (d) [~~(a)~~], it shall replace the person serving as tax assessor and collector with a person who would not be disqualified.

(f) [~~(c)~~] Any person who wilfully violates the provisions of Subsection (d) [~~(a)~~] is guilty of a misdemeanor and on conviction shall be fined not less than \$100 nor more than \$1,000.

(g) [~~(d)~~] As used in this section, "developer of property in

the district" has the same meaning as in Section 49.052(d).

SECTION 9. Section 49.063, Water Code, is amended to read as follows:

Sec. 49.063. NOTICE OF MEETINGS. (a) Notice of meetings of the board shall be given as set forth in the open meetings law, Chapter 551, Government Code, except that if a district does not have a meeting place within the district, the district shall post notice of its meeting at a public place within the district specified by the board in a written resolution, rather than at its administrative office. The board shall specify such public place to be a bulletin board or other place within the district which is reasonably available to the public.

(b) The validity of an action taken at a board meeting is not affected by:

(1) [~~Neither~~] failure to provide notice of the meeting if the meeting is a regular meeting;

(2) [~~nor~~] an insubstantial defect in notice of the [~~any~~] meeting; or

(3) failure of a county clerk to timely or properly post or maintain public access to a notice of the meeting if notice of the meeting is furnished to the county clerk in sufficient time for posting under Section 551.043(a) or 551.045, Government Code [~~shall affect the validity of any action taken at the meeting~~].

SECTION 10. Sections 49.102(a), (b), (c), and (h), Water Code, are amended to read as follows:

(a) Before issuing any bonds or other obligations, an election shall be held within the boundaries of the proposed district on a uniform election date provided by Section 41.001, Election Code, to determine if the proposed district shall be established and, if the directors of the district are required by law to be elected, to elect permanent directors.

(b) Notice of a confirmation or director election shall state the day and place or places for holding the election, the propositions to be voted on, and, if applicable, the number of directors to be voted on.

(c) The ballots for a confirmation election shall be printed to provide for voting "For District" and "Against District." Ballots for a directors election shall provide the names of the persons appointed by the governing body who qualified and are serving as temporary directors at the time the election is called.

If the district has received an application by a write-in candidate, the ~~the~~ ballots shall also have blank places after the names of the temporary directors in which a voter may write the names of any candidates appearing on the list of write-in candidates required by Section 146.031, Election Code ~~[other persons for directors]~~.

(h) Unless otherwise agreed, the elected directors shall decide the initial terms of office by lot, with a simple majority of the elected directors serving until the second succeeding directors election and the remaining elected directors serving

until the next directors election.

SECTION 11. Sections 49.103(a) and (b), Water Code, are amended to read as follows:

(a) Except as provided by Section 49.102, the members of the board of a district shall serve staggered [~~for~~] four-year terms.

(b) After confirmation of a district, an [~~An~~] election shall be held on the uniform election date, provided by Section 41.001, [~~established by the~~] Election Code, in May of each even-numbered year to elect the appropriate number of directors.

SECTION 12. Subchapter D, Chapter 49, Water Code, is amended by adding Section 49.1045 to read as follows:

Sec. 49.1045. CERTIFICATION OF ELECTION RESULTS IN LESS POPULOUS DISTRICTS. (a) This section applies only to a district that:

(1) has 10 or fewer registered voters; and

(2) holds an election jointly with a county in which the district is wholly or partly located.

(b) A district may provide for an inquiry into and certification of the voting results of an election under this section if:

(1) the election results indicate that the number of votes cast in the election was greater than the number of registered voters in the district;

(2) the board determines that the election results are likely to be disputed in court; and

(3) the board can determine from the official list of registered voters prepared by the county voter registrar or county elections administrator for the district election which voters were qualified to vote in the district election and can determine from the signature roster from the joint election who voted in the joint election.

(c) To certify the district votes, the board by rule shall adopt a procedure to determine for each person who signed the signature roster as a voter in the joint election:

(1) whether the person's address on the day of the election was in the district; and

(2) how the person voted in the district election.

(d) The certified votes are the official election results.

(e) Certification of the results under this section does not preclude the filing of an election contest.

SECTION 13. Sections 49.105(c) and (d), Water Code, are amended to read as follows:

(c) If the number of directors is reduced to fewer than a majority or if a vacancy continues beyond the 90th day after the date the vacancy occurs, the vacancy or vacancies may [~~shall~~] be filled by appointment by the commission if the district is required by Section 49.181 to obtain commission approval of its bonds or by the county commissioners court if the district was created by the county commissioners court, regardless of whether a petition has been presented to the board under Subsection (b). An appointed

director shall serve for the unexpired term of the director he or she is replacing.

(d) In the event of a failure to elect one or more members of the board of a district resulting from the absence of, or failure to vote by, the qualified voters in an election held by the district, the current members of the board or temporary board holding the positions not filled at such election shall be deemed to have been ~~elected~~ [reelected] and shall serve an additional term of office, or, in the case of a temporary board member deemed elected under this subsection, the initial term of office.

SECTION 14. Section 49.108, Water Code, is amended by adding Subsections (g), (h), and (i) to read as follows:

(g) On or before the first day for early voting by personal appearance at an election held to authorize a contract, a substantially final form of the contract must be filed in the office of the district and must be open to inspection by the public. The contract is not required to be attached as an exhibit to the order calling the election to authorize the contract.

(h) A single contract may contain multiple purposes or provisions for multiple facilities authorized by one or more constitutional provisions. The contract may generally describe the facilities to be acquired or financed by the district without reference to specific constitutional provisions. A contract described by this subsection may be submitted for approval in a single proposition at an election.

(i) A contract between districts to provide facilities or services is not required to specify the maximum amount of bonds or expenditures authorized under the contract if:

(1) the contract provides that the service area cannot be enlarged without the consent of at least two-thirds of the boards of directors of the districts that are:

(A) included in the service area as proposed to be enlarged; or

(B) served by the facilities or services provided in the contract;

(2) the contract provides that bonds or expenditures, payable wholly or partly from contract taxes, are issued or made:

(A) on an emergency basis; or

(B) to purchase, construct, acquire, own, operate, repair, improve, or extend services or facilities necessary to comply with changes in applicable regulatory requirements; or

(3) the contract provides that the bonds or expenditures require prior approval by any district that is obligated to pay debt service on those bonds or to pay for those expenditures wholly or partly with contract taxes.

SECTION 15. Subchapter D, Chapter 49, Water Code, is amended by adding Sections 49.109, 49.110, 49.111, 49.112, and 49.113 to read as follows:

Sec. 49.109. AGENT DURING ELECTION PERIOD. The board may appoint a person, including a district officer, employee, or

consultant, to serve as the district's agent under Section 31.123, Election Code.

Sec. 49.110. ELECTION JUDGE. (a) The notice requirements for the appointment of a presiding election judge under Section 32.009, Election Code, do not apply to an election held by a district.

(b) To serve as an election judge in an election held by a district, a person must be a registered voter of the county in which the district is wholly or partly located. To the extent of any conflict with Section 32.051, Election Code, this section controls.

Sec. 49.111. EXEMPTIONS FROM USE OF ACCESSIBLE VOTING SYSTEMS. (a) Notwithstanding Sections 61.012 and 61.013, Election Code, a district is exempt from the acquisition, lease, or use of an electronic voting system for an election if:

(1) the election is a confirmation election or an election held jointly with a confirmation election on the same date and in conjunction with the confirmation election, except for an election in which a federal office appears on the ballot;

(2) the most recently scheduled district directors' election was not held, as provided by Section 2.053(b), Election Code; or

(3) fewer than 250 voters voted at the most recently held district directors' election.

(b) A district eligible for the exemption under Subsection

(a) must publish notice in a newspaper of general circulation in an area that includes the district or mail notice to each voter in the district regarding the district's intention to hold an election without providing a voting station that meets the requirements for accessibility under 42 U.S.C. Section 15481(a)(3) on election day and during the period for early voting by personal appearance. The notice must be published or mailed not later than the later of:

(1) the 75th day before the date of the election; or

(2) the date on which the district adopts the order

calling the election.

(c) The notice required by Subsection (b) must:

(1) provide that any voter in the district may request the use of a voting station that meets the accessibility requirements for voting by a person with a disability; and

(2) provide information on how to submit such a request.

(d) The district shall comply with a request for an accessible voting station if the request is received not later than the 45th day before the date of the election.

Sec. 49.112. CANCELLATION OF ELECTION; REMOVAL OF BALLOT MEASURE. Before the first day of early voting by personal appearance, the board by order or resolution may cancel an election called at the discretion of the district or may remove from the ballot a measure included at the discretion of the district. A copy of the order or resolution must be posted during the period for early voting by personal appearance and on election day at each

polling place that is used or that would have been used in the election.

Sec. 49.113. NOTICE FOR FILING FOR PLACE ON BALLOT. A notice required by Section 141.040, Election Code, must be posted at the district's administrative office in the district or at the public place established by the district under Section 49.063 of this chapter not later than the 30th day before the deadline for a candidate to file an application for a place on the ballot of a district directors' election.

SECTION 16. Section 49.151(c), Water Code, is amended to read as follows:

(c) The board may allow disbursements of district money to be transferred by federal reserve wire system or by electronic means.

The board by resolution may allow the wire or electronic transfers to accounts in the name of the district or accounts not in the name of the district.

SECTION 17. Sections 49.154(a) and (c), Water Code, are amended to read as follows:

(a) The board may declare an emergency in the matter of funds not being available to pay principal of and interest on any bonds of the district payable in whole or in part from taxes or to meet any other needs of the district and may issue [~~negotiable~~] tax anticipation notes or [~~negotiable~~] bond anticipation notes to borrow the money needed by the district without advertising or giving notice of the sale. A district's bond anticipation notes or

tax anticipation notes are negotiable instruments within the meaning and purposes of the Business & Commerce Code notwithstanding any provision to the contrary in that code. Bond anticipation notes and tax anticipation notes shall mature within one year of their date.

(c) Bond anticipation notes may be issued for any purpose for which bonds of the district may be issued [~~have previously been voted~~] or [~~may be issued~~] for the purpose of refunding previously issued bond anticipation notes. A district may covenant with the purchasers of the bond anticipation notes that the district will use the proceeds of sale of any bonds in the process of issuance for the purpose of refunding the bond anticipation notes, in which case the board will be required to use the proceeds received from sale of the bonds in the process of issuance to pay principal, interest, or redemption price on the bond anticipation notes.

SECTION 18. Section 49.181(a), Water Code, is amended to read as follows:

(a) A district may not issue bonds to finance a project for which the commission has adopted rules requiring review and approval unless the commission determines that the project [~~to be financed by the bonds~~] is feasible and issues an order approving the issuance of the bonds. This section does not apply to:

(1) refunding bonds if the commission issued an order approving the issuance of the bonds or notes that originally financed the project;

(2) refunding bonds that are issued by a district under an agreement between the district and a municipality allowing the issuance of the district's bonds to refund bonds issued by the municipality to pay the cost of financing facilities;

(3) bonds issued to and approved by the Farmers Home Administration, the United States Department of Agriculture, the North American Development Bank, or the Texas Water Development Board; or

(4) refunding bonds issued to refund bonds described by Subdivision (3).

SECTION 19. Section 49.194, Water Code, is amended by amending Subsections (a), (b), and (c) and adding Subsection (h) to read as follows:

(a) Except as provided by Subsection (h), after ~~After~~ the board has approved the audit report, it shall submit a copy of the report to the executive director for filing within 135 days after the close of the district's fiscal year.

(b) Except as provided by Subsection (h), if ~~if~~ the board refuses to approve the annual audit report, the board shall submit a copy of the report to the executive director for filing within 135 days after the close of the district's fiscal year, accompanied by a statement from the board explaining the reasons for its failure to approve the report.

(c) Copies of the audit report, the annual financial dormancy affidavit, or annual financial report described in Sections 49.197

and 49.198 shall be filed annually in the office of the district.

(h) A special water authority shall submit a copy of the audit report to the executive director for filing not later than the 160th day after the date the special water authority's fiscal year ends.

SECTION 20. Section 49.212, Water Code, is amended by amending Subsection (d) and adding Subsections (d-1) and (d-2) to read as follows:

(d) Notwithstanding any provision of law to the contrary, a district that charges a fee that is an impact fee as described in Section 395.001(4), Local Government Code, must comply with Chapter 395, Local Government Code. A charge or fee is not an impact fee under that chapter if:

(1) the charge or fee is imposed by a district for construction, installation, or inspection of a tap or connection to district water, sanitary sewer, or drainage facilities, including all necessary service lines and meters, for capacity in storm water detention or retention facilities and related storm water conveyances, or for wholesale facilities that serve such water, sanitary sewer, ~~or~~ drainage, or storm water detention or retention facilities; and

(2) the charge or fee:

(A) [that (i)] does not exceed three times the actual ~~and reasonable~~ costs to the district for such tap or connection;

(B) [~~(ii)~~] if made to a nontaxable entity for retail or wholesale service, does not exceed the actual costs to the district for such work and for all facilities that are necessary to provide district services to such entity and that are financed or are to be financed in whole or in part by tax-supported or revenue bonds of the district; [7] or

(C) is [~~(iii) if~~] made by a district for retail or wholesale service on land that at the time of platting was not being provided with water, [or] wastewater, drainage, or storm water detention or retention service by the district [~~, shall not be deemed to be an impact fee under Chapter 395, Local Government Code~~].

(d-1) Actual costs under Subsection (d), as determined by the board in its reasonable discretion, may include nonconstruction expenses attributable to the design, permitting, financing, and construction of those facilities, and reasonable interest on those costs calculated at a rate not to exceed the net effective interest rate on any district bonds issued to finance the facilities.

(d-2) A district may pledge the revenues of the district's utility system to pay the principal of or interest on bonds issued to construct the capital improvements for which a fee is [~~was~~] imposed under Subsection (d) [~~this subsection~~], and money received from the fees shall be considered revenues of the district's utility system for purposes of the district's bond covenants.

SECTION 21. Section 49.2121(b), Water Code, is amended to

read as follows:

(b) A district may:

(1) accept a credit card for the payment of any fees and charges imposed by the district;

(2) collect a fee[~~, not to exceed five percent of the amount of the fee or charge being paid,~~] that is reasonably related to the expense incurred by the district in processing the payment by credit card; and

(3) collect a service charge for the expense incurred by the district in collecting the original fee or charge if the payment by credit card is not honored by the credit card company on which the funds are drawn.

SECTION 22. Section 49.216, Water Code, is amended by amending Subsection (e) and adding Subsection (f) to read as follows:

(e) Any peace officer who is directly employed by a district, before beginning to perform any duties and at the time of appointment, must take an oath and execute a bond conditioned on faithful performance of such officer's duties in the amount of \$1,000 payable to the district. The oath and the bond shall be filed in the district office.

(f) A peace officer contracted for by the district, individually or through a county, sheriff, constable, or municipality, is an independent contractor, and the district is responsible for the acts or omissions of the peace officer only to

the extent provided by law for other independent contractors.

SECTION 23. Sections 49.273(d) and (e), Water Code, are amended to read as follows:

(d) For contracts over \$75,000 [~~\$50,000~~], the board shall advertise the letting of the contract, including the general conditions, time, and place of opening of sealed bids. The notice must [~~shall~~] be published in one or more newspapers circulated in each county in which [~~part of~~] the district is located. [~~If one newspaper meets both of these requirements, publication in such newspaper is sufficient.~~] If there are more than four counties in the district, notice may be published in any newspaper with general circulation in the district. The notice must [~~shall~~] be published once a week for two consecutive weeks before the date that the bids are opened, and the first publication must [~~shall~~] be not later than the 14th [~~21st~~] day before the date of the opening of the sealed bids.

(e) For contracts over \$25,000 but not more than \$75,000 [~~\$50,000~~], the board shall solicit written competitive bids on uniform written specifications from at least three bidders.

SECTION 24. Section 49.351, Water Code, is amended by amending Subsections (a), (b), (c), (f), (i), and (l) and adding Subsection (m) to read as follows:

(a) A district providing potable water or sewer service to household users may, separately or jointly with another district, municipality, or other political subdivision, establish, operate,

and maintain, finance with ad valorem taxes, mandatory fees, or voluntary contributions, and issue bonds for a fire department to perform all fire-fighting services within the district as provided in this subchapter and may provide for ~~[issue bonds or impose a mandatory fee, with voter approval, for financing a plan approved in accordance with this section, including]~~ the construction and purchase of necessary buildings, facilities, land, and equipment and the provision of an adequate water supply.

(b) After complying with the requirements of this section ~~[approval of the district electors of a plan to operate, jointly operate, or jointly fund the operation of a fire department, and after complying with Subsections (g), (h), and (i)]~~, the district or districts shall provide an adequate system and water supply for fire-fighting purposes, may purchase necessary land, may construct and purchase necessary buildings, facilities, and equipment, and may employ or contract with a fire department to employ all necessary personnel including supervisory personnel to operate the fire department.

(c) For ~~[Bonds for]~~ financing a plan approved in accordance with this section, bonds and ad valorem taxes must ~~[shall]~~ be authorized and may be issued or imposed ~~[, and a district shall be authorized to levy a tax to pay the principal of and interest on such bonds,]~~ as provided by law for the authorization and issuance of other bonds and the authorization and imposition of other ad valorem taxes of the district.

(f) Before a district imposes an ad valorem tax or issues bonds payable wholly or partly from ad valorem taxes to finance the establishment of ~~[establishes]~~ a fire department, contracts to operate a joint fire department, or contracts with another person to perform fire-fighting services within the district, the district must comply with ~~[the provisions of]~~ Subsections (g), (h), and (i).

A district that funds fire-fighting services with revenue, including mandatory fees or voluntary contributions, is not required to comply with Subsections (g), (h), and (i).

(i) After approval of a plan by the commission, the district shall hold an ~~[submit to the electors of the district at the]~~ election to approve the plan, approve bonds payable wholly or partly from ad valorem taxes, and ~~[or to]~~ impose ad valorem taxes ~~[a mandatory fee]~~ for financing the plan. The election ~~[, or if no bonds or fees are to be approved, at an election called for approval of the plan, which]~~ may be held in conjunction with an election required by Section 49.102 ~~[, the proposition of whether or not the plan should be implemented or entered into by the district].~~ ~~[The ballots at the election shall be printed, as applicable, to provide for voting for or against the proposition: "The implementation of the plan for (operation/joint operation) of a fire department"; or "The plan and contract to provide fire-fighting services for the district."]~~

(1) A ~~[Notwithstanding the requirements of Subsections (a)-(j), a]~~ district providing potable water or sewer service to

household users may, as part of its billing process, collect from its customers a voluntary contribution on behalf of organizations providing fire-fighting services to the district. A district that chooses to collect a voluntary contribution under this subsection must give reasonable notice to its customers that the contribution is voluntary. Water and sewer service may not be terminated as a result of failure to pay the voluntary contribution.

(m) If a customer makes a partial payment of a district bill for water or sewer service and includes with the payment a voluntary contribution for fire-fighting services under Subsection (1), the district shall apply the voluntary contribution first to the bill for water or sewer service, including any interest or penalties imposed. The district shall use any amount remaining for fire-fighting services.

SECTION 25. Section 49.462(1), Water Code, is amended to read as follows:

(1) "Recreational facilities" means parks, landscaping, parkways, greenbelts, sidewalks, trails, public right-of-way beautification projects, and recreational equipment and facilities.

The term includes associated street and security lighting. The term does not include a minor improvement or beautification project to land acquired or to be acquired as part of a district's water, sewer, or drainage facilities.

SECTION 26. Subchapter N, Chapter 49, Water Code, is amended by adding Section 49.4641 to read as follows:

Sec. 49.4641. RECREATIONAL FACILITIES ON SITES ACQUIRED FOR WATER, SEWER, OR DRAINAGE FACILITIES. (a) A district may develop and maintain recreational facilities on a site acquired for the purpose of developing water, sewer, or drainage facilities.

(b) A district is not required to prorate the costs of a site described by Subsection (a) between the primary water, sewer, or drainage purpose and any secondary recreational facilities purpose if a licensed professional engineer certifies that the site is reasonably sized for the intended water, sewer, or drainage purpose.

(c) The engineer may consider the following factors in determining the reasonableness of the size of a water, sewer, or drainage site:

(1) the rules, regulations, and design guidelines or criteria of a municipality, county, or other entity exercising jurisdiction;

(2) sound engineering principles;

(3) the impact on adjoining property;

(4) the availability of sites that meet the requirements for the proposed use;

(5) requirements for sanitary control;

(6) the need for a buffer zone to mitigate noise or for aesthetic purposes;

(7) benefits to storm water quality; and

(8) anticipated expansions of facilities resulting from:

(A) future growth and demand for district facilities; or

(B) changes in regulatory requirements.

SECTION 27. Sections 49.4645(a) and (b), Water Code, are amended to read as follows:

(a) A district all or part of which is located in Bastrop County, Bexar County, Waller County, Travis County, Williamson County, Harris County, Galveston County, Brazoria County, Montgomery County, or Fort Bend County may issue bonds supported by ad valorem taxes to pay for the development and maintenance of recreational facilities only if the bonds are authorized by a majority vote of the ~~[qualified]~~ voters of the district voting in an election held for that purpose. The outstanding principal amount of bonds, notes, and other obligations issued to finance parks and recreational facilities supported by ad valorem taxes ~~[payable from any source]~~ may not exceed an amount equal to one percent of the value of the taxable property in the district or, if supported by contract taxes under Section 49.108, may not exceed an amount equal to one percent of the sum of the value of the taxable property in the districts making payments under the contract as shown by the tax rolls of the central appraisal district at the time of the issuance of the bonds, notes, and other obligations or an amount greater than the estimated cost provided in the park plan under Subsection (b), whichever is smaller. An estimate of the value provided by the central appraisal district may be used to

establish the value of the taxable property in the district or districts under this section. The district may not issue bonds supported by ad valorem taxes to pay for the development and maintenance of:

- (1) indoor or outdoor swimming pools; or
- (2) golf courses.

(b) On or before the 10th day before the first day for early voting by personal appearance at [~~Not later than the 10th day before~~] an election [~~is~~] held to authorize the issuance of bonds for the development and maintenance of recreational facilities, the board shall file in the district office for review by the public a park plan covering the land, improvements, facilities, and equipment to be purchased or constructed and their estimated cost, together with maps, plats, drawings, and data fully showing and explaining the park plan. The park plan is not part of the proposition to be voted on, [~~and the park plan~~] does not create a contract with the voters, and may be amended at any time after the election held to authorize the issuance of bonds for the development and maintenance of recreational facilities provided under the plan. The estimated cost stated in the amended park plan may not exceed the amount of bonds authorized at that election.

SECTION 28. Section 51.072, Water Code, is amended to read as follows:

Sec. 51.072. QUALIFICATIONS FOR DIRECTOR. (a) To be qualified for election as a director, a person must:

(1) be a resident of the state;

(2) [~~7~~] own land subject to taxation in the district or
be a qualified voter in the district; [~~7~~] and

(3) be at least 18 years of age.

(b) Section 49.052 does not apply to a district governed by this chapter whose principal purpose is providing water for irrigation.

SECTION 29. Section 51.335, Water Code, is amended by amending Subsection (b) and adding Subsection (c) to read as follows:

(b) The district shall not usurp functions or duplicate a service already adequately exercised or rendered by the other governmental agency except:

(1) under a valid contract with the other governmental agency; or

(2) as provided by Subsection (c).

(c) The district may finance, develop, and maintain recreational facilities under Subchapter N, Chapter 49, even if similar facilities may be provided by a political subdivision or other governmental entity included wholly or partly in the district.

SECTION 30. Section 51.523, Water Code, is amended to read as follows:

Sec. 51.523. BALLOTS. The ballot for an election under this subchapter shall be printed to provide for voting for or against

substantially the proposition: "Designation of the area, issuance of bonds, [~~and~~] levy of a tax to retire the bonds, and levy of a maintenance tax."

SECTION 31. Section 51.527, Water Code, is amended by adding Subsection (c) to read as follows:

(c) After bonds issued for the defined area or designated property are fully paid or defeased, the board may declare the defined area dissolved or may repeal the designation of the designated property. After that declaration or repeal, the board shall cease imposing any special taxes authorized under the adopted tax plan on the property located in the defined area or on the designated property.

SECTION 32. Section 53.063(a), Water Code, is amended to read as follows:

(a) Except as provided by Subsection (b), to be qualified for election as a supervisor, a person must be:

(1) a resident of this state;

(2) the owner of taxable property in the district or a qualified voter in the district; and

(3) at least 18 years of age.

SECTION 33. Section 54.016(f), Water Code, is amended to read as follows:

(f) A city may provide in its written consent for the inclusion of land in a district that is initially located wholly or partly outside the corporate limits of the city that a contract

("allocation agreement") between the district and the city be entered into prior to the first issue of bonds, notes, warrants, or other obligations of the district. The allocation agreement shall contain the following provisions:

(1) a method by which the district shall continue to exist following the annexation of all territory within the district by the city, if the district is initially located outside the corporate limits of the city;

(2) an allocation of the taxes or revenues of the district or the city which will assure that, following the date of the inclusion of all the district's territory within the corporate limits of the city, the total annual ad valorem taxes collected by the city and the district from taxable property within the district does not exceed an amount greater than the city's ad valorem tax upon such property;

(3) an allocation of governmental services to be provided by the city or the district following the date of the inclusion of all of the district's territory within the corporate limits of the city; and

(4) such other terms and conditions as may be deemed appropriate by the city.

SECTION 34. Section 54.236, Water Code, is amended to read as follows:

Sec. 54.236. STREET OR SECURITY LIGHTING. (a) Subject to the provisions of this section, a district may purchase, install,

operate, and maintain street lighting or security lighting within public utility easements or public rights-of-way or property owned by ~~[within the boundaries of]~~ the district.

(b) A district may not issue bonds supported by ad valorem taxes to pay for the purchase, installation, and maintenance of street or security lighting, except as authorized by Section 54.234 or Subchapter N, Chapter 49.

SECTION 35. Section 54.739, Water Code, is amended to read as follows:

Sec. 54.739. SUBSTITUTING LAND OF EQUAL VALUE. After the district is organized and has obtained voter approval for the issuance of, or has sold, bonds payable wholly or partly from ad valorem taxes ~~[acquires facilities with which to function for the purposes for which it was organized, and votes, issues and sells bonds for such purposes]~~, land within the district boundaries subject to taxation that does not need or utilize the services of the district may be excluded and other land not within the boundaries of the district may be included within the boundaries of the district without impairment of the security for payment of the bonds or invalidation of any prior bond election, as provided by this section and Sections 54.740 through 54.747.

SECTION 36. Section 54.744, Water Code, is amended to read as follows:

Sec. 54.744. IMPAIRMENT OF SECURITY. (a) For purposes of the board's consideration of the applications, the lands proposed

for inclusion shall be deemed to be sufficient to avoid an impairment of the security for payment of obligations of the district if:

(1) according to the most recent tax roll of the district or the most recently certified estimates of taxable value from the chief appraiser of the appropriate appraisal district, the taxable value of such included lands equals or exceeds the taxable value of the excluded lands; and

(2) either the estimated costs of providing district facilities and services to such included lands is equal to or less than the estimated costs of providing district facilities and services to the excluded lands or any increased estimated costs of providing district facilities and services to the included land, as determined by the district's engineer, can be amortized at prevailing bond interest rates and maturity schedules and the prevailing debt service tax rate of the district, as determined by the district's professional financial advisor, when applied to the increase in taxable value of the included land over the taxable value of the excluded land.

(b) If the district has any[~~and (3) the district's~~] outstanding bonds or contract obligations [~~are~~] payable in whole or in part by a pledge of net revenues from the ownership or operation of the district's facilities at the time the board considers an application, the lands proposed for inclusion shall be deemed to be sufficient to avoid an impairment of the security for payment of

obligations of the district if~~[, and]~~ the projected net revenues to be derived from the lands to be included during the succeeding 12-month period, as determined by the district's engineer, equals or exceeds the projected net revenues that would otherwise have been derived from the lands to be excluded during the same period.

(c) In this section, the taxable value of included land means the market value of the land if, before or contemporaneously with the inclusion of the land in the district, the owner of the land waives the right to special appraisal of the land as to the district under Section 23.20, Tax Code.

SECTION 37. Section 49.103(g), Water Code, is repealed.

SECTION 38. The legislature finds that an agreement entered into before September 1, 2011, by a municipality and a municipal utility district is an allocation agreement only if:

(1) the district is initially located wholly or partly outside the corporate limits of the municipality;

(2) the agreement strictly complies with the requirements of Section 54.016(f), Water Code, as that section existed immediately before the effective date of this Act; and

(3) the agreement is specifically designated by the parties to the agreement as an "allocation agreement" under Section 54.016(f), Water Code.

SECTION 39. Not later than December 1, 2011, the Texas Commission on Environmental Quality shall adopt any rules or amendments to existing rules necessary to implement Section

49.4641, Water Code, as added by this Act.

SECTION 40. (a) Except as provided by Subsection (b) of this section, this Act takes effect September 1, 2011.

(b) Sections 54.739 and 54.744, Water Code, as amended by this Act, take effect immediately if this Act receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution; otherwise, those sections take effect September 1, 2011.


ADOPTED

FLOOR AMENDMENT NO. 1

MAY 19 2011

BY:




Secretary of the Senate

1 Amend H.B. 725 by adding the following appropriately
2 numbered SECTIONS to the bill accordingly:

3 SECTION ____ Subtitle F, Title 6, Special District Local
4 Laws Code, is amended by adding Chapter 8372 to read as follows:

5 CHAPTER 8372. BELL COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

6 SUBCHAPTER A. GENERAL PROVISIONS

7 Sec. 8372.001. DEFINITIONS. In this chapter:

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

9 (2) "Commission" means the Texas Commission on
10 Environmental Quality.

11 (3) "Director" means a board member.

12 (4) "District" means the Bell County Municipal
13 Utility District No. 1.

14 Sec. 8372.002. NATURE OF DISTRICT. The district is a
15 municipal utility district created under Section 59, Article
16 XVI, Texas Constitution.

17 Sec. 8372.003. CONFIRMATION AND DIRECTORS' ELECTION
18 REQUIRED. The temporary directors shall hold an election to
19 confirm the creation of the district and to elect five permanent
20 directors as provided by Section 49.102, Water Code.

21 Sec. 8372.004. CONSENT OF MUNICIPALITY REQUIRED. The
22 temporary directors may not hold an election under Section
23 8372.003 until each municipality in whose corporate limits or
24 extraterritorial jurisdiction the district is located has
25 consented by ordinance or resolution to the creation of the
26 district and to the inclusion of land in the district.

27 Sec. 8372.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.

28 (a) The district is created to serve a public purpose and
29 benefit.

1 (b) The district is created to accomplish the purposes of:

2 (1) a municipal utility district as provided by
3 general law and Section 59, Article XVI, Texas Constitution; and

4 (2) Section 52, Article III, Texas Constitution, that
5 relate to the construction, acquisition, or improvement of
6 macadamized, graveled, or paved roads described by Section
7 54.234, Water Code, or improvements, including storm drainage,
8 in aid of those roads.

9 Sec. 8372.006. INITIAL DISTRICT TERRITORY. (a) The
10 district is initially composed of the territory described by
11 Section 2 of the Act enacting this chapter.

12 (b) The boundaries and field notes contained in Section 2
13 of the Act enacting this chapter form a closure. A mistake made
14 in the field notes or in copying the field notes in the
15 legislative process does not affect the district's:

16 (1) organization, existence, or validity;

17 (2) right to issue any type of bond for the purposes
18 for which the district is created or to pay the principal of and
19 interest on a bond;

20 (3) right to impose a tax; or

21 (4) legality or operation.

22 [Sections 8372.007-8372.050 reserved for expansion]

23 SUBCHAPTER B. BOARD OF DIRECTORS

24 Sec. 8372.051. GOVERNING BODY; TERMS. (a) The district
25 is governed by a board of five elected directors.

26 (b) Except as provided by Section 8372.052, directors
27 serve staggered four-year terms.

28 Sec. 8372.052. TEMPORARY DIRECTORS. (a) The temporary
29 board consists of:

30 (1) Roger Hunter;

31 (2) Randy Reding;

- 1 (3) David Barr;
- 2 (4) Karen Walinder; and
- 3 (5) David Lazar.

4 (b) Temporary directors serve until the earlier of:

- 5 (1) the date permanent directors are elected under
- 6 Section 8372.003; or
- 7 (2) September 1, 2015.

8 (c) If permanent directors have not been elected under
9 Section 8372.003 and the terms of the temporary directors have
10 expired, successor temporary directors shall be appointed or
11 reappointed as provided by Subsection (d) to serve terms that
12 expire on the earlier of:

- 13 (1) the date permanent directors are elected under
- 14 Section 8372.003; or
- 15 (2) the fourth anniversary of the date of the
- 16 appointment or reappointment.

17 (d) If Subsection (c) applies, the owner or owners of a
18 majority of the assessed value of the real property in the
19 district may submit a petition to the commission requesting that
20 the commission appoint as successor temporary directors the five
21 persons named in the petition. The commission shall appoint as
22 successor temporary directors the five persons named in the
23 petition.

24 [Sections 8372.053-8372.100 reserved for expansion]

25 SUBCHAPTER C. POWERS AND DUTIES

26 Sec. 8372.101. GENERAL POWERS AND DUTIES. The district
27 has the powers and duties necessary to accomplish the purposes
28 for which the district is created.

29 Sec. 8372.102. MUNICIPAL UTILITY DISTRICT POWERS AND
30 DUTIES. The district has the powers and duties provided by the
31 general law of this state, including Chapters 49 and 54, Water

1 Code, applicable to municipal utility districts created under
2 Section 59, Article XVI, Texas Constitution.

3 Sec. 8372.103. AUTHORITY FOR ROAD PROJECTS. (a) Under
4 Section 52, Article III, Texas Constitution, the district may
5 design, acquire, construct, finance, issue bonds for, improve,
6 and convey to this state, a county, or a municipality for
7 operation and maintenance macadamized, graveled, or paved roads
8 described by Section 54.234, Water Code, or improvements,
9 including storm drainage, in aid of those roads.

10 (b) The district may exercise the powers provided by this
11 section without submitting a petition to or obtaining approval
12 from the commission as required by Section 54.234, Water Code.

13 Sec. 8372.104. APPROVAL OF ROAD PROJECT. (a) The
14 district may not undertake a road project authorized by Section
15 8372.103 unless:

16 (1) each municipality or county that will operate and
17 maintain the road has approved the plans and specifications of
18 the road project, if a municipality or county will operate and
19 maintain the road; or

20 (2) the Texas Transportation Commission has approved
21 the plans and specifications of the road project, if the state
22 will operate and maintain the road.

23 (b) Except as provided by Subsection (a), the district is
24 not required to obtain approval from the Texas Transportation
25 Commission to design, acquire, construct, finance, issue bonds
26 for, improve, or convey a road project.

27 Sec. 8372.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE
28 OR RESOLUTION. The district shall comply with all applicable
29 requirements of any ordinance or resolution that is adopted
30 under Section 54.016 or 54.0165, Water Code, and that consents
31 to the creation of the district or to the inclusion of land in

1 the district.

2 Sec. 8372.106. LIMITATION ON USE OF EMINENT DOMAIN. The
3 district may not exercise the power of eminent domain outside
4 the district to acquire a site or easement for:

5 (1) a road project authorized by Section 8372.103; or

6 (2) a recreational facility as defined by Section
7 49.462, Water Code.

8 [Sections 8372.107-8372.150 reserved for expansion]

9 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

10 Sec. 8372.151. ELECTIONS REGARDING TAXES OR BONDS. (a)
11 The district may issue, without an election, bonds and other
12 obligations secured by:

13 (1) revenue other than ad valorem taxes; or

14 (2) contract payments described by Section 8372.153.

15 (b) The district must hold an election in the manner
16 provided by Chapters 49 and 54, Water Code, to obtain voter
17 approval before the district may impose an ad valorem tax or
18 issue bonds payable from ad valorem taxes.

19 (c) The district may not issue bonds payable from ad
20 valorem taxes to finance a road project unless the issuance is
21 approved by a vote of a two-thirds majority of the district
22 voters voting at an election held for that purpose.

23 Sec. 8372.152. OPERATION AND MAINTENANCE TAX. (a) If
24 authorized at an election held under Section 8372.151, the
25 district may impose an operation and maintenance tax on taxable
26 property in the district in accordance with Section 49.107,
27 Water Code.

28 (b) The board shall determine the tax rate. The rate may
29 not exceed the rate approved at the election.

30 Sec. 8372.153. CONTRACT TAXES. (a) In accordance with
31 Section 49.108, Water Code, the district may impose a tax other

1 than an operation and maintenance tax and use the revenue
2 derived from the tax to make payments under a contract after the
3 provisions of the contract have been approved by a majority of
4 the district voters voting at an election held for that purpose.

5 (b) A contract approved by the district voters may contain
6 a provision stating that the contract may be modified or amended
7 by the board without further voter approval.

8 [Sections 8372.154-8372.200 reserved for expansion]

9 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

10 Sec. 8372.201. AUTHORITY TO ISSUE BONDS AND OTHER
11 OBLIGATIONS. The district may issue bonds or other obligations
12 payable wholly or partly from ad valorem taxes, impact fees,
13 revenue, contract payments, grants, or other district money, or
14 any combination of those sources, to pay for any authorized
15 district purpose.

16 Sec. 8372.202. TAXES FOR BONDS. At the time the district
17 issues bonds payable wholly or partly from ad valorem taxes, the
18 board shall provide for the annual imposition of a continuing
19 direct ad valorem tax, without limit as to rate or amount, while
20 all or part of the bonds are outstanding as required and in the
21 manner provided by Sections 54.601 and 54.602, Water Code.

22 Sec. 8372.203. BONDS FOR ROAD PROJECTS. At the time of
23 issuance, the total principal amount of bonds or other
24 obligations issued or incurred to finance road projects and
25 payable from ad valorem taxes may not exceed one-fourth of the
26 assessed value of the real property in the district.

27 SECTION __. The Bell County Municipal Utility District No.
28 1 initially includes all the territory contained in the
29 following area:

30 Being all that certain tract or parcel of land situated in the
31 C. H. Fitch Survey, A-316, the John Lewis Survey, A-512, the

1 S.C. Fitch Survey, A-371, and the Young Williams Survey, A-861,
2 Bell County, Texas, being all of Tract One (called 442.51
3 acres), Tract Two (called 23.923 acres), and Tract 4 (called
4 8.440 acres) described in deed to Weldon Whitis and Bruce Whitis
5 in Volume 4441, Page 575, Official Records, Bell County, Texas,
6 and all of that certain called 64.7 acre tract described in deed
7 to Whitis Land Investments, Ltd., in Volume 6622, Page 114,
8 Official Records, Bell County, Texas, and being more
9 particularly described by metes and bounds as follows:

10 BEGINNING at an iron rod at the southeast corner of said Tract 4
11 (called 8.440 acres), same being in the north line of said Tract
12 One (called 442.51 acres), also being the southwest corner of
13 Tract Three (called 6.747 acres) also described in deed to
14 Weldon Whitis and Bruce Whitis in Volume 4441, Page 575,
15 Official Records, Bell County, Texas, for corner of the herein
16 described tract,

17 THENCE N 17°42'07" E, 444.85 along the west line of said Tract
18 Three and east line of said Tract Two to an iron pipe for corner
19 of the herein described tract;

20 THENCE in a westerly direction along the north line of said
21 Tract Three with the following courses:

- 22 1. N 88°11'16" W, 310.38 feet to an iron pipe;
- 23 2. S 83°11'40" W, 317.12 feet, to an iron pipe;
- 24 3. S 82°58'31" W, 246.70, feet to an iron pipe, for the
25 northwest corner of said Tract Three;

26 THENCE in a southerly direction along the west line of said
27 Tract Three with the following courses:

- 28 1. S 10°13'31" W, 26.66 feet;
- 29 2. S 29°13'59" E, 10.60 feet;
- 30 3. S 01°30'59" E 14.54 feet;
- 31 4. S 43°00'42" W, 24.35 feet;

1 5. S 61°37'21" W, 12.89 feet;
2 6. S 14°33'54" W, 88.90 feet, to an iron pipe in a fence
3 corner, for an ell corner;
4 THENCE N 71°44'38" W, 190.17 feet, westerly, along a north line
5 of said Tract Three to an iron rod in the north line of said
6 Tract One;
7 THENCE in a westerly direction along the north line of said
8 Tract One with the following courses:
9 1. N 70°34'14" W, 44.59 feet, an iron rod for corner;
10 2. N 72°25'22" W, 616.92 feet, an iron rod for corner;
11 3. N 74°43'06" W, 507.39 feet, an iron rod in the east line of
12 said 64.7 acre tract, for corner;
13 THENCE N 15°55'53" E, 851.78 feet, westerly, along an east line
14 of said 64.7 acre tract to a cedar, for the northeast corner of
15 said 64.7 acre tract;
16 THENCE in a westerly direction a the north line of said 64.7
17 acre tract with the following courses:
18 1. N 48°17'37" W, 82.11 feet, a post for corner;
19 2. N 28°55'27" W, 225.01 feet, a post for corner;
20 3. N 58°18'37" W, 18.24 feet, an elm for corner;
21 4. N 75°42'40" W, 266.08 feet, an iron rod for corner;
22 5. N 75°23'12" W, 237.82 feet, an iron rod for corner;
23 6. N 73°19'20" W, 164.19 feet, an iron rod for the northeast
24 corner of Lot 5, Block 6, Stoneoak Subdivision, Phase 2,
25 recorded in Cabinet B, Slide 334-B, Plat Records, Bell County,
26 Texas, for corner of the herein described tract;
27 THENCE along the easterly and southerly boundaries of Block 6,
28 Stoneoak Subdivision, Phase 2 with the following courses:
29 1. S 14°37'25" W, 427.85 feet, an iron rod for corner;
30 2. S 39°36'49" W, 477.27 feet, an iron rod for corner;
31 3. N 50°23'11" W, 139.40 feet, an iron rod in the north margin

1 of Stoneoak Dr., for corner;
2 THENCE S 39°36'49" W, 60.00 feet, to an iron rod in the south
3 margin of Stoneoak Dr, for corner;
4 THENCE N 50°23'59" W, 99.90 feet, along the south margin of
5 Stoneoak Dr., to an iron rod for the northeast corner of Block
6 3, Stoneoak Subdivision, Phase 2, for corner;
7 THENCE along the easterly and southerly boundaries of Block 3,
8 Stoneoak Subdivision, Phase 2 with the following courses:
9 1. S 39°39'11" W, 139.38 feet, an iron rod for the northeast
10 corner of Lot 5, Block 3, Stoneoak Subdivision, Phase 2, for
11 corner;
12 2. N 50°23'11" W, 311.48 feet, an iron rod, for corner;
13 3. N 53°09'02" W, 458.34 feet, an iron rod for the southwest
14 corner of Lot 1, Block 3, Stoneoak Subdivision, Phase 2, same
15 being the southeast corner of Lot 1, Block 1, Stoneoak
16 Subdivision, Phase 1, recorded in Cabinet B, Slide 236-B, Plat
17 Records, Bell County, Texas, for corner;
18 THENCE N 53°50'25" W, 155.91 feet, along the south line of said
19 Lot 1, Block 1, to an iron rod in the east margin of FM 1670,
20 for corner;
21 THENCE S 27°04'56" W, 566.14 feet, along the east margin of FM
22 1670 for an iron rod in the north line of Lot 6, Block 1,
23 Stoneoak Subdivision, Phase 1, for corner;
24 THENCE along the easterly and southerly boundaries of Lot Lot 6,
25 Block 1, Stoneoak Subdivision, Phase 1, with the following
26 courses:
27 1. S 53°56'27" E, 155.87 feet, an iron rod for corner;
28 2. S 27°04'53" W, 145.23 feet, an iron rod for the southeast
29 corner of said Lot 6, Block 1, Stoneoak Subdivision, Phase 1,
30 and corner of the herein described tract;
31 THENCE along the southeasterly along the southerly boundary of

1 said 64.7 acre tract with the following courses:

2 1. S 56°19'35" E, 696.11 feet, an iron rod, for corner;

3 2. N 23°01'40" E, 18.36 feet, an iron rod, for corner;

4 3. S 47°22'19" E, 1346.71 feet, an iron rod, in the west line

5 of said Tract One and an ell corner of the herein described

6 tract;

7 THENCE in a southerly direction along the fenced west line of

8 said Tract One with the following courses:

9 1. S 45°43'29" W, 521.79 feet, an iron rod, for corner;

10 2. S 28°59'19" W, 430.76 feet, an iron rod, for corner;

11 3. S 15°02'24" W, 590.71 feet, a 12" cedar, for corner;

12 4. S 31°13'21" W, 11.21 feet, a 12" cedar, for corner;

13 5. S 28°24'41" W, 2.53 feet, an iron rod for the north corner

14 of the called 8.12 acre tract described in deed to the United

15 States of America in Volume 874, Page 283, Deed Records of Bell

16 County, Texas;

17 THENCE S 19°42'32" E, 1187.26 feet, along a east line of said

18 8.12 acre tract and west line of said Tract One to an iron pipe

19 for the south corner of said 8.12 acre tract, for corner;

20 THENCE S 15°55'45" W, 377.40 feet, along a north west line of

21 said Tract One to an iron pipe for the westerly southwest corner

22 of the herein described tract;

23 THENCE S 78°41'13" E, 2847.43 feet, along a south line of said

24 Tract One and existing fence to an iron pipe in a fence corner,

25 same being an ell corner of the herein described tract;

26 THENCE S 12°34'41" W, 95.71 feet, to a point, for corner;

27 THENCE in a easterly direction 100' north of an parallel to the

28 south line of said Tract One, south line of said Tract Two, and

29 left bank of the Lampasas River with the following courses:

30 1. N 59°59'13" E, 125.67 feet, a point, for corner;

31 2. N 78°13'20" E, 288.55 feet, a point, for corner;

1 3. S 69°41'17" E, 72.82 feet, a point, for corner;
2 4. S 67°06'56" E, 275.14 feet, a point, for corner;
3 5. S 58°22'11" E, 271.35 feet, a point, for corner
4 6. S 46°50'39" E, 512.57 feet, a point, for corner;
5 7. S 26°54'16" E, 299.38 feet, a point, for corner;
6 8. S 43°48'14" E, 309.26 feet, a point, for the southeast
7 corner of the herein described tract;

8 THENCE in a northerly direction along the fenced east line of
9 said Tract Two, and east line of the herein described tract,
10 with the following courses:

11 1. N 14°02'58" E, 481.07 feet, a post, for corner;
12 2. N 02°07'12" W, 180.92 feet, a post, for corner;
13 3. N 10°32'57" E, 614.21 feet, a post, for corner;
14 4. N 49°54'32" E, 229.03 feet, a fence corner post for the
15 northeast corner of said Tract Two;

16 THENCE in a westerly direction along a fenced north line of said
17 Tract Two, and east line of the herein described tract, with the
18 following courses:

19 1. N 72°21'30" W, 39.54 feet, an iron rod, for corner;
20 2. N 64°20'47" W, 70.85 feet, an iron rod in a fence corner in
21 the east line of said Tract One, for corner of the herein
22 described tract;

23 THENCE in a northerly direction along the fenced east line of
24 said Tract One, and east line of the herein described tract,
25 with the following courses:

26 1. N 53°59'40" E, 167.20 feet, an iron rod, for corner;
27 2. N 59°20'36" E, 58.19 feet, an iron rod, for corner;
28 3. N 62°55'16" E, 71.72 feet, an iron rod, for corner;
29 4. N 69°11'44" E, 68.89 feet, a an iron rod, for corner;
30 5. N 62°45'31" E, 112.05 feet, an iron rod, for corner;
31 6. N 73°56'23" E, 35.96 feet, an iron rod, for corner;

1 7. N 61°52'10" E, 86.51 feet, an iron rod, for corner;
2 8. N 51°31'36" E, 274.08 feet, an iron rod, for corner;
3 9. N 45°30'37" E, 58.94 feet, an iron rod, for corner;
4 10. N 35°22'34" E, 111.93 feet, an iron rod, for corner;
5 11. N 24°37'26" E, 55.46 feet, an iron rod, for corner;
6 12. N 02°52'20" E, 61.55 feet, an iron rod, for corner;
7 13. N 05°33'08" W, 125.86 feet, an iron rod, for corner;
8 14. N 42°54'00" W, 25.42 feet, an iron rod, for corner;
9 15. N 83°42'20" W, 111.89 feet, a post, for corner;
10 16. N 79°38'56" W, 59.70 feet, an iron rod, for corner;
11 17. N 12°35'12" E, 319.71 feet, a 14" cedar, for corner;
12 18. N 03°59'50" E, 60.17 feet, an iron rod, for corner;
13 19. N 00°04'49" E, 10.78 feet, an iron rod, for corner;
14 20. N 24°58'14" E, 56.12 feet, an iron rod, for corner;
15 21. N 12°05'54" E, 554.94 feet, an iron rod, for corner;
16 22. N 14°09'42" W, 13.29 feet, an iron rod, for corner;
17 23. N 54°33'04" W, 43.94 feet, an iron rod, for corner;
18 24. N 67°13'03" W, 67.22 feet, an iron rod, for corner;
19 25. N 15°57'36" E, 766.87 feet, an iron rod in a fence corner,
20 same being the most easterly northeast corner of said Tract One,
21 for corner of the herein described tract;
22 THENCE N 76°03'02" W, 608.28 feet, along the fenced north line
23 of said Tract One to an iron rod in a fence corner for an ell
24 corner of the herein described tract;
25 THENCE N 16°06'35" E, 385.98 feet, along a fenced east line of
26 said Tract One to an iron pipe in a fence corner for corner;
27 THENCE N 74°31'12" W, 801.90 feet, along a fenced north line of
28 said Tract One to an iron pipe in a fence corner for corner;
29 THENCE S 16°27'16" W, 399.55 feet, along a fenced line of said
30 Tract One to an iron pipe in a fence corner for corner;
31 THENCE N 71°41'44" W, 1155.49 feet, along a fenced north line of

1 said Tract One to an iron rod for the southeast corner of said
2 Tract Three (called 6.747 acres), for corner;
3 THENCE N 71°42'51" W, 62.25 feet along the south line of said
4 Tract Three and north line of said Tract One to the PLACE OF
5 BEGINNING and containing a called mathematical total of 534.66
6 acres of land, more or less.

7 SECTION _____. (a) Section 8372.106, Special District Local
8 Laws Code, as added by Section 1 of this Act, takes effect only
9 if this Act receives a two-thirds vote of all the members
10 elected to each house.

11 (b) If this Act does not receive a two-thirds vote of all
12 the members elected to each house, Subchapter C, Chapter 8372,
13 Special District Local Laws Code, as added by Section 1 of this
14 Act, is amended by adding Section 8372.106 to read as follows:

15 Sec. 8372.106. NO EMINENT DOMAIN POWER. The district may
16 not exercise the power of eminent domain.

17 (c) This section is not intended to be an expression of a
18 legislative interpretation of the requirements of Section 17(c),
19 Article I, Texas Constitution.

20 SECTION _____. Except as provided by the Section
21 ____ (preceding) of this Act, this Act takes effect September 1,
22 2011.

ADOPTED

27-4

MAY 19 2011

FLOOR AMENDMENT NO. _____

2 Aditya Saw
Secretary of the Senate

BY: _____

Forn

Amend C.S.H.B. No. 725 (senate committee printing) by adding the appropriately numbered SECTIONS to the bill and renumbering the subsequent SECTIONS accordingly:

SECTION _____. Section 36.002, Water Code, is amended to read as follows:

Sec. 36.002. OWNERSHIP OF GROUNDWATER. (a) The legislature recognizes that a landowner owns the groundwater below the surface of the landowner's land as real property. Groundwater ownership and rights may be transferred, conveyed, or leased in the same manner and by the same means as any other ownership interest in real property.

(b) The groundwater ownership and rights described by this section:

(1) entitle the landowner, including a landowner's lessees, heirs, or assigns, to drill for and produce the groundwater below the surface of real property, subject to Subsection (d), without causing waste or malicious drainage of other property or negligently causing subsidence, but does not entitle a landowner, including a landowner's lessees, heirs, or assigns, to the right to capture a specific amount of groundwater below the surface of his land; and

(2) do not affect the existence of common law defenses or other defenses to liability under the rule of capture.

(c) Nothing [The ownership and rights of the owners of the land and their lessees and assigns in groundwater are hereby recognized, and nothing] in this code shall be construed as granting the authority to deprive [depriving] or divest a

landowner, including a landowner's lessees, heirs, or assigns,
~~[divesting the owners or their lessees and assigns]~~ of the
groundwater ownership and rights described by this section ~~[or~~
~~rights, except as those rights may be limited or altered by rules~~
~~promulgated by a district].~~

(d) This section does not:

(1) prohibit a district from limiting or prohibiting the
drilling of a well by a landowner for failure or inability to
comply with minimum well spacing or tract size requirements adopted
by the district;

(2) affect the ability of a district to regulate
groundwater production as authorized under Section 36.113, 36.116,
or 36.122 or otherwise under this chapter or a special law
governing a district; or

(3) require that a rule adopted by a district allocate
to each landowner a proportionate share of available groundwater
for production from the aquifer based on the number of acres owned
by the landowner ~~[A rule promulgated by a district may not~~
~~discriminate between owners of land that is irrigated for~~
~~production and owners of land or their lessees and assigns whose~~
~~land that was irrigated for production is enrolled or participating~~
~~in a federal conservation program].~~

(e) This section does not affect the ability to regulate
groundwater in any manner authorized under:

(1) Chapter 626, Acts of the 73rd Legislature, Regular
Session, 1993, for the Edwards Aquifer Authority;

(2) Chapter 8801, Special District Local Laws Code, for
the Harris-Galveston Subsidence District; and

(3) Chapter 8834, Special District Local Laws Code, for

the Fort Bend Subsidence District.

SECTION _____. Section 36.101, Water Code, is amended by amending Subsection (a) and adding Subsection (a-1) to read as follows:

(a) A district may make and enforce rules, including rules limiting groundwater production based on tract size or the spacing of wells, to provide for conserving, preserving, protecting, and recharging of the groundwater or of a groundwater reservoir or its subdivisions in order to control subsidence, prevent degradation of water quality, or prevent waste of groundwater and to carry out the powers and duties provided by this chapter. In adopting a rule under this chapter, a district [~~During the rulemaking process the board~~] shall:

(1) consider all groundwater uses and needs;

(2) [~~and shall~~] develop rules that [~~which~~] are fair and impartial;

(3) consider the groundwater ownership and rights described by Section 36.002;

(4) consider the public interest in conservation, preservation, protection, recharging, development and prevention of waste of groundwater, and of groundwater reservoirs or their subdivisions, and in controlling subsidence caused by withdrawal of water from those groundwater reservoirs or their subdivisions, consistent with the objectives of Section 59, Article XVI, Texas Constitution;

(5) consider the goals developed as part of the district's comprehensive management plan under Section 36.1071; and

(6) [~~and that do~~] not discriminate between land that is irrigated for production and land that was irrigated for production

and enrolled or participating in a federal conservation program.

(a-1) Any rule of a district that discriminates between land that is irrigated for production and land that was irrigated for production and enrolled or participating in a federal conservation program is void.

ADOPTED

17-12

MAY 21 2011

BY:

FLOOR AMENDMENT NO. 4

Astley Spaw
Secretary of the Senate

1 Amend the committee substitute to House Bill 725 by adding
2 the following SECTIONS and renumbering the subsequent SECTIONS
3 accordingly:

4 SECTION ____ . Section 13.254, Water Code, is amended by
5 amending Subsections (a) and (a-2) and adding Subsections (a-5)
6 and (a-6) to read as follows:

7 (a) The commission at any time after notice and hearing
8 may~~[, on its own motion or on receipt of a petition described by~~
9 ~~Subsection (a-1),]~~ revoke or amend any certificate of public
10 convenience and necessity with the written consent of the
11 certificate holder or if it finds that:

12 (1) the certificate holder has never provided, is no
13 longer providing, is incapable of providing, or has failed to
14 provide continuous and adequate service in the area, or part of
15 the area, covered by the certificate;

16 (2) in an affected county as defined in Section
17 16.341, the cost of providing service by the certificate holder
18 is so prohibitively expensive as to constitute denial of
19 service, provided that, for commercial developments or for
20 residential developments started after September 1, 1997, in an
21 affected county as defined in Section 16.341, the fact that the
22 cost of obtaining service from the currently certificated retail
23 public utility makes the development economically unfeasible
24 does not render such cost prohibitively expensive in the absence
25 of other relevant factors;

26 (3) the certificate holder has agreed in writing to
27 allow another retail public utility to provide service within
28 its service area, except for an interim period, without amending
29 its certificate; or

1 (4) the certificate holder has failed to file a cease
2 and desist action pursuant to Section 13.252 within 180 days of
3 the date that it became aware that another retail public utility
4 was providing service within its service area, unless the
5 certificate holder demonstrates good cause for its failure to
6 file such action within the 180 days.

7 (a-2) A landowner is not entitled to make the election
8 described in Subsection (a-1) or (a-5) but is entitled to
9 contest under Subsection (a) the involuntary certification of
10 its property in a hearing held by the commission if the
11 landowner's property is located:

12 (1) within the boundaries of any municipality or the
13 extraterritorial jurisdiction of a municipality with a
14 population of more than 500,000 and the municipality or retail
15 public utility owned by the municipality is the holder of the
16 certificate; or

17 (2) in a platted subdivision actually receiving water
18 or sewer service.

19 (a-5) As an alternative to decertification under
20 Subsection (a) and expedited release under Subsection (a-1), the
21 owner of a tract of land that is at least 25 acres and that is
22 not receiving water or sewer service may petition for expedited
23 release of the area from a certificate of public convenience and
24 necessity and is entitled to that release if the landowner's
25 property is located in a county with a population of at least
26 one million, a county adjacent to a county with a population of
27 at least one million, or a county with a population of more than
28 200,000 and less than 220,000.

29 (a-6) The commission shall grant a petition received under
30 Subsection (a-5) not later than the 60th day after the date the
31 landowner files the petition. The commission may not deny a

1 petition received under Subsection (a-5) based on the fact that
2 a certificate holder is a borrower under a federal loan program.
3 The commission may require an award of compensation by the
4 petitioner to a decertified retail public utility that is the
5 subject of a petition filed under Subsection (a-5) as otherwise
6 provided by this section.

ADOPTED

MAY 21 2011

FLOOR AMENDMENT NO. 5

Antony Davis
Secretary of the Senate

BY: *Paul Huffman*

1 Amend C.S.H.B. No. 725 (senate committee printing) as
2 follows:

3 (1) Before SECTION 1 of the bill, between the enacting
4 clause and "SECTION 1." (page 1, between lines 12 and 13), insert
5 the following:

6 ARTICLE 1. GENERAL PROVISIONS

7 (2) Renumber the SECTIONS of ARTICLE 1 (page 1, line 13,
8 through page 14, line 1) appropriately.

9 (3) In SECTION 39 of the bill (page 13, line 63), strike
10 "Act" and substitute "article".

11 (4) In SECTION 40 of the bill (page 13, line 65), strike
12 "this Act" and substitute "this article".

13 (5) In SECTION 40 of the bill (page 13, line 67), strike
14 "this Act, take" and substitute "this article, take".

15 (6) After SECTION 40 of the bill (page 14, line 2), add the
16 following appropriately numbered ARTICLES and SECTIONS:

17 ARTICLE ____ . IMPERIAL REDEVELOPMENT DISTRICT

18 SECTION ____ .01. Section 8150.001, Special District Local
19 Laws Code, is amended by adding Subdivision (2-a) to read as
20 follows:

21 (2-a) "County" means Fort Bend County, Texas.

22 SECTION ____ .02. Section 8150.002, Special District Local
23 Laws Code, is amended to read as follows:

24 Sec. 8150.002. NATURE OF DISTRICT. The district is a
25 municipal utility district in Fort Bend County created under
26 Section 59, Article XVI, Texas Constitution, and is essential to
27 accomplish the purposes of Sections [Section] 52 and 52-a, Article
28 III, Section 1-g, Article VIII, and Section 59, Article XVI, Texas
29 Constitution, and other public purposes stated in this chapter.

1 SECTION ____ .03. Subchapter A, Chapter 8150, Special
2 District Local Laws Code, is amended by adding Section 8150.0025 to
3 read as follows:

4 Sec. 8150.0025. DECLARATION OF INTENT. (a) By creating the
5 district and in authorizing the city, the county, and other
6 political subdivisions to contract with the district, the
7 legislature has established a program to accomplish the public
8 purposes set out in Section 52-a, Article III, Texas Constitution.

9 (b) The district is necessary to promote, develop,
10 encourage, and maintain employment, commerce, transportation,
11 housing, tourism, recreation, the arts, entertainment, economic
12 development, safety, and the public welfare in the district.

13 (c) This chapter and the creation of the district may not be
14 interpreted to relieve the city or the county from providing
15 services to the area in the district. The district is created to
16 supplement and not to supplant city and county services provided in
17 the district.

18 SECTION ____ .04. Section 8150.003, Special District Local
19 Laws Code, is amended to read as follows:

20 Sec. 8150.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
21 All land and other property included in the district will benefit
22 from the improvements and services to be provided by the district
23 under powers conferred by Sections [~~Section~~] 52 and 52-a, Article
24 III, Section 1-g, Article VIII, and Section 59, Article XVI, Texas
25 Constitution, and other powers granted under this chapter.

26 (b) The district is created for the [~~same~~] purposes of as:

27 (1) a municipal utility district as provided by
28 Section 54.012, Water Code;

29 (2) [~~a road utility district created under~~] Section
30 52, Article III, Texas Constitution, that relate to the
31 construction, acquisition, improvement, operation, or maintenance

1 of macadamized, graveled, or paved roads, or improvements in aid of
2 those roads, including drainage improvements [~~and operating under~~
3 ~~Chapter 441, Transportation Code, including the purpose of~~
4 ~~constructing, acquiring, improving, maintaining, and operating~~
5 ~~roads and road facilities~~]; and

6 (3) the purchase, construction, acquisition,
7 ownership, improvement, maintenance, and operation of the public
8 works and public improvements authorized for a tax increment
9 reinvestment zone operating under Chapter 311, Tax Code, and a
10 municipal management district operating under Chapter 375, Local
11 Government Code.

12 (c) The district is created to serve a public use and
13 benefit.

14 (d) The creation of the district is in the public interest
15 and is essential to further the public purposes of:

16 (1) developing and diversifying the economy of the
17 state;

18 (2) eliminating unemployment and underemployment; and

19 (3) developing or expanding transportation and
20 commerce.

21 (e) The district will:

22 (1) promote the health, safety, and general welfare of
23 residents, employers, potential employees, employees, visitors,
24 and consumers in the district, and of the public;

25 (2) provide needed funding for the district to
26 preserve, maintain, and enhance the economic health and vitality of
27 the district territory as a community and business center; and

28 (3) promote the health, safety, welfare, and enjoyment
29 of the public by providing pedestrian ways and by landscaping and
30 developing certain areas in the district, which are necessary for
31 the restoration, preservation, and enhancement of scenic beauty.

1 (f) Pedestrian ways along or across a street, whether at
2 grade or above or below the surface, and street lighting, street
3 landscaping, vehicle parking, and street art objects are parts of
4 and necessary components of a street and are considered to be a
5 street or road improvement.

6 (g) The district will not act as the agent or
7 instrumentality of any private interest even though the district
8 will benefit many private interests as well as the public.

9 SECTION __.05. Subchapter A, Chapter 8150, Special
10 District Local Laws Code, is amended by adding Section 8150.0035 to
11 read as follows:

12 Sec. 8150.0035. FINDING ON SPORTS AND COMMUNITY VENUES. A
13 sports and community venue facility is considered to be a park and
14 recreational facility.

15 SECTION __.06. Subchapter C, Chapter 8150, Special
16 District Local Laws Code, is amended by adding Sections 8150.1025,
17 8150.105, 8150.106, 8150.107, 8150.108, 8150.109, and 8150.110 to
18 read as follows:

19 Sec. 8150.1025. MUNICIPAL MANAGEMENT DISTRICT PROJECTS AND
20 SERVICES. The district may provide, design, construct, acquire,
21 improve, relocate, operate, maintain, or finance an improvement,
22 improvement project, or service using money available to the
23 district, or contract with a governmental or private entity to
24 provide, design, construct, acquire, improve, relocate, operate,
25 maintain, or finance an improvement, improvement project, or
26 service authorized under this chapter or Chapter 375, Local
27 Government Code.

28 Sec. 8150.105. DEVELOPMENT CORPORATION POWERS. The
29 district, using money available to the district, may exercise the
30 powers given to a development corporation under Chapter 505, Local
31 Government Code, including the power to own, operate, acquire,

1 construct, lease, improve, or maintain a project under that
2 chapter.

3 Sec. 8150.106. NONPROFIT CORPORATION. (a) The board by
4 resolution may authorize the creation of a nonprofit corporation to
5 assist and act for the district in implementing a project or
6 providing a service authorized by this chapter.

7 (b) The nonprofit corporation:

8 (1) has each power of and is considered to be a local
9 government corporation created under Subchapter D, Chapter 431,
10 Transportation Code; and

11 (2) may implement any project and provide any service
12 authorized by this chapter.

13 (c) The board shall appoint the board of directors of the
14 nonprofit corporation. The board of directors of the nonprofit
15 corporation shall serve in the same manner as the board of directors
16 of a local government corporation created under Subchapter D,
17 Chapter 431, Transportation Code, except that a board member is not
18 required to reside in the district.

19 Sec. 8150.107. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The
20 district may join and pay dues to a charitable or nonprofit
21 organization that performs a service or provides an activity
22 consistent with the furtherance of a district purpose.

23 Sec. 8150.108. ECONOMIC DEVELOPMENT. (a) The district may
24 engage in activities that accomplish the economic development
25 purposes of the district.

26 (b) The district may establish and provide for the
27 administration of one or more programs to promote state or local
28 economic development and to stimulate business and commercial
29 activity in the district, including programs to:

30 (1) make loans and grants of public money; and

31 (2) provide district personnel and services.

1 (c) The district may create economic development programs
2 and exercise the economic development powers that:

3 (1) Chapter 380, Local Government Code, provides to a
4 municipality; and

5 (2) Subchapter A, Chapter 1509, Government Code,
6 provides to a municipality.

7 Sec. 8150.109. PARKING FACILITIES. (a) The district may
8 acquire, lease as lessor or lessee, construct, develop, own,
9 operate, and maintain parking facilities or a system of parking
10 facilities, including lots, garages, parking terminals, or other
11 structures or accommodations for parking motor vehicles off the
12 streets and related appurtenances.

13 (b) The district's parking facilities serve the public
14 purposes of the district and are owned, used, and held for a public
15 purpose even if leased or operated by a private entity for a term of
16 years.

17 (c) The district's parking facilities are parts of and
18 necessary components of a street and are considered to be a street
19 or road improvement.

20 (d) The development and operation of the district's parking
21 facilities may be considered an economic development program.

22 Sec. 8150.110. SPORTS AND COMMUNITY VENUE FACILITIES. (a)
23 The district may acquire, sell, lease as lessor or lessee, convey,
24 construct, finance, develop, own, operate, maintain, acquire real
25 property interests for, demolish, or reconstruct a sports and
26 community venue facility.

27 (b) A sports and community venue facility authorized under
28 this section includes:

29 (1) an arena, coliseum, stadium, or other type of area
30 or facility that is used or is planned for use for one or more
31 professional or amateur sports events, community events, other

1 sports events, promotional events, and other civic or charitable
2 events;

3 (2) a convention center facility or related
4 improvement such as a convention center, civic center, civic center
5 building, civic center hotel, auditorium, theater, opera house,
6 music hall, exhibition hall, rehearsal hall, park, performing arts
7 center, museum, aquarium, or plaza that is located in the vicinity
8 of a convention center or facility owned by a municipality or a
9 county; and

10 (3) a facility related to a sports and community venue
11 facility, including a store, restaurant, on-site hotel,
12 concession, or other on-site or off-site improvement that relates
13 to and enhances the use, value, or appeal of a sports and community
14 venue, including an area adjacent to the venue, and any other
15 expenditure reasonably necessary to construct, improve, renovate,
16 or expand a venue, including an expenditure for environmental
17 remediation.

18 SECTION ____ .07. Section 8150.151, Special District Local
19 Laws Code, is amended to read as follows:

20 Sec. 8150.151. ROAD PROJECTS. (a) As authorized by Section
21 52, Article III, Texas Constitution, the district may construct,
22 acquire, improve, maintain, or operate, inside and outside the
23 district, roads and road improvements [~~facilities as defined by~~
24 ~~Chapter 441, Transportation Code~~].

25 (b) The roads and road improvements [~~facilities~~] authorized
26 by Subsection (a) may include drainage, landscaping, pedestrian
27 improvements, lights, signs, or signals that are incidental to the
28 roads and their construction, maintenance, or operation.

29 (c) The roads and road improvements [~~facilities~~] authorized
30 by this section must meet all applicable construction standards,
31 zoning and subdivision requirements, and regulatory ordinances of

1 the city.

2 (d) On completion of a road or road improvement [~~facility~~]
3 authorized by this section, the district, with the consent of the
4 city, may convey the road or road improvement [~~facility~~] to the city
5 if the conveyance is free of all indebtedness of the district. If
6 the city becomes the owner of a road or road improvement [~~facility~~],
7 the city is responsible for all future maintenance and upkeep and
8 the district has no further responsibility for the road or road
9 improvement [~~facility~~] or its maintenance or upkeep, unless
10 otherwise agreed to by the district and the city.

11 SECTION __.08. Section 8150.153, Special District Local
12 Laws Code, is amended to read as follows:

13 Sec. 8150.153. REIMBURSEMENT FOR ROAD PROJECT. (a) The
14 district may:

15 (1) reimburse a private person for money spent to
16 construct a road or road improvement [~~facility~~] that is dedicated
17 or otherwise transferred to public use; or

18 (2) purchase a road or road improvement [~~facility~~]
19 constructed by a private person.

20 (b) The amount paid for the reimbursement or for the
21 purchase of a road or road improvement [~~facility~~] under Subsection
22 (a) may:

23 (1) include all construction costs, including
24 engineering, legal, financing, and other expenses incident to the
25 construction; or

26 (2) be at a price not to exceed the replacement cost of
27 the road or road improvement [~~facility~~] as determined by the board.

28 (c) The reimbursement or purchase of a road or road
29 improvement [~~facility~~] may be paid for with proceeds from the sale
30 of the district's bonds or from any other money available to the
31 district.

1 (d) The district may enter into an agreement to use the
2 proceeds of a subsequent bond sale to reimburse a private person
3 under this section. The agreement may provide the terms and
4 conditions under which the road or road improvement [~~facility~~] is
5 to be dedicated or transferred for the benefit of the public.

6 SECTION __.09. Subsection (a), Section 8150.201, Special
7 District Local Laws Code, is amended to read as follows:

8 (a) The district may issue, without an election, bonds and
9 other obligations secured by:

10 (1) revenue [~~or contract payments~~] from any source
11 other than ad valorem taxation; or

12 (2) contract payments described by Section 8150.203.

13 SECTION __.010. The heading to Section 8150.202, Special
14 District Local Laws Code, is amended to read as follows:

15 Sec. 8150.202. OPERATION AND MAINTENANCE [~~AD VALOREM~~] TAX.

16 SECTION __.011. Section 8150.202, Special District Local
17 Laws Code, is amended by amending Subsection (a) and adding
18 Subsection (c) to read as follows:

19 (a) If authorized by a majority of the district voters
20 voting at an election held for that purpose [~~under Section~~
21 ~~8150.201~~], the district may impose an operation and maintenance
22 [~~annual ad valorem~~] tax on taxable property in the district in
23 accordance with Section 49.107, Water Code, for any district
24 purpose, including to:

25 (1) operate and maintain the district;

26 (2) construct or acquire improvements; and

27 (3) provide a service [~~for the provision of services~~
28 ~~or for the maintenance and operation of the district, including the~~
29 ~~improvements constructed or acquired by the district~~].

30 (c) Section 49.107(h), Water Code, does not apply to the
31 district.

1 SECTION ____ .012. Subchapter E, Chapter 8150, Special
2 District Local Laws Code, is amended by adding Sections 8150.203,
3 8150.204, 8150.205, 8150.206, 8150.207, and 8150.208 to read as
4 follows:

5 Sec. 8150.203. CONTRACT TAXES. (a) In accordance with
6 Section 49.108, Water Code, the district may impose a tax other than
7 an operation and maintenance tax and use the revenue derived from
8 the tax to make payments under a contract after the provisions of
9 the contract have been approved by a majority of the district voters
10 voting at an election held for that purpose.

11 (b) A contract approved by the district voters may contain a
12 provision stating that the contract may be modified or amended by
13 the board without further voter approval.

14 Sec. 8150.204. MONEY USED FOR IMPROVEMENTS OR SERVICES.
15 The district may acquire, construct, finance, operate, or maintain
16 any improvement or service authorized under this chapter or Chapter
17 375, Local Government Code, using any money available to the
18 district.

19 Sec. 8150.205. PETITION REQUIRED FOR FINANCING SERVICES AND
20 IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a
21 service or improvement project with assessments under this chapter
22 unless a written petition requesting that service or improvement
23 has been filed with the board.

24 (b) The petition must be signed by the owners of a majority
25 of the assessed value of real property in the district subject to
26 assessment according to the most recent certified tax appraisal
27 roll for the county.

28 Sec. 8150.206. METHOD OF NOTICE FOR HEARING. The district
29 may mail the notice required by Section 375.115(c), Local
30 Government Code, by certified or first class United States mail.
31 The board shall determine the method of notice.

1 Sec. 8150.207. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)

2 The board by resolution may impose and collect an assessment under
3 Subchapter F, Chapter 375, Local Government Code, for any purpose
4 authorized by this chapter or Chapter 375, Local Government Code,
5 in all or any part of the district.

6 (b) An assessment, a reassessment, or an assessment
7 resulting from an addition to or correction of the assessment roll
8 by the district, penalties and interest on an assessment or
9 reassessment, an expense of collection, and reasonable attorney's
10 fees incurred by the district:

11 (1) are a first and prior lien against the property
12 assessed;

13 (2) are superior to any other lien or claim other than
14 a lien or claim for county, school district, or municipal ad valorem
15 taxes; and

16 (3) are the personal liability of and a charge against
17 the owners of the property even if the owners are not named in the
18 assessment proceedings.

19 (c) The lien is effective from the date of the board's
20 resolution imposing the assessment until the date the assessment is
21 paid. The board may enforce the lien in the same manner that the
22 board may enforce an ad valorem tax lien against real property.

23 (d) The board may make a correction to or deletion from the
24 assessment roll that does not increase the amount of assessment of
25 any parcel of land without providing notice and holding a hearing in
26 the manner required for additional assessments.

27 Sec. 8150.208. TAX AND ASSESSMENT ABATEMENTS. The district
28 may designate reinvestment zones and may grant abatements of a tax
29 or assessment on property in the zones.

30 SECTION ____ .013. Section 8150.251, Special District Local
31 Laws Code, is amended by amending Subsection (a) and adding

1 Subsection (c) to read as follows:

2 (a) The district may issue bonds or other obligations
3 payable wholly or partly from ad valorem taxes, assessments, impact
4 fees, revenue, contract payments, grants, or other district money,
5 or any combination of those sources, to pay for any authorized
6 district purpose.

7 (c) The limitation on the outstanding principal amount of
8 bonds, notes, and other obligations provided by Section 49.4645,
9 Water Code, does not apply to the district.

10 SECTION ____.014. Section 8150.252, Special District Local
11 Laws Code, is amended to read as follows:

12 Sec. 8150.252. TAXES FOR BONDS AND OTHER OBLIGATIONS. At
13 the time the district issues bonds [~~or other obligations~~] payable
14 wholly or partly from ad valorem taxes, [~~are issued~~]

15 [~~(1)~~] the board shall provide for the annual
16 imposition of [~~impose~~] a continuing direct annual ad valorem tax,
17 without limit as to rate or amount, while [~~for each year that~~] all
18 or part of the bonds are outstanding as required and in the manner
19 provided by Sections 54.601 and 54.602, Water Code [~~, and~~

20 [~~(2) the district annually shall impose the continuing~~
21 ~~direct annual ad valorem tax on all taxable property in the district~~
22 ~~in an amount sufficient to~~

23 [~~(A) pay the interest on the bonds or other~~
24 ~~obligations as the interest becomes due,~~

25 [~~(B) create a sinking fund for the payment of the~~
26 ~~principal of the bonds or other obligations when due or the~~
27 ~~redemption price at any earlier required redemption date, and~~

28 [~~(C) pay the expenses of imposing the taxes~~].

29 SECTION ____.015. Subchapter F, Chapter 8150, Special
30 District Local Laws Code, is amended by adding Section 8150.257 to
31 read as follows:

1 Sec. 8150.257. APPROVAL OF CERTAIN BONDS BY TEXAS
2 COMMISSION ON ENVIRONMENTAL QUALITY. Section 375.208, Local
3 Government Code, applies to the district.

4 SECTION ____.016. (a) The Imperial Redevelopment District
5 may not exercise a power granted by Section 8150.105, 8150.106,
6 8150.107, 8150.108, 8150.109, 8150.110, 8150.203, or 8150.208,
7 Special District Local Laws Code, as added by this article, until
8 the governing body of the City of Sugar Land consents to the power
9 by adopting a resolution or ordinance. The governing body may
10 consent to some or all of the sections through the resolution or
11 ordinance. The governing body may not modify a section.

12 (b) This section does not affect any consent or
13 authorization granted by the City of Sugar Land to the Imperial
14 Redevelopment District before the effective date of this article.

15 SECTION ____.017. This article does not affect bonds or
16 other obligations issued before the effective date of this article.
17 Bonds or other obligations issued before the effective date of this
18 article are governed by the law in effect when the bonds or other
19 obligations were issued, and that law is continued in effect for
20 that purpose.

21 SECTION ____.018. Sections 8150.253, 8150.255, and
22 8150.256, Special District Local Laws Code, are repealed.

23 SECTION ____.019. (a) The legislature validates and
24 confirms all acts and proceedings of the Board of Directors of the
25 Imperial Redevelopment District that were taken before the
26 effective date of this article.

27 (b) Subsection (a) of this section does not apply to any
28 matter that on the effective date of this article:

29 (1) is involved in litigation if the litigation
30 ultimately results in the matter being held invalid by a final
31 judgment of a court; or

1 (2) has been held invalid by a final judgment of a
2 court.

3 SECTION ____ .020. (a) The legal notice of the intention to
4 introduce this article, setting forth the general substance of this
5 article, has been published as provided by law, and the notice and a
6 copy of this article have been furnished to all persons, agencies,
7 officials, or entities to which they are required to be furnished
8 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
9 Government Code.

10 (b) The governor, one of the required recipients, has
11 submitted the notice and this article to the Texas Commission on
12 Environmental Quality.

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

17 (d) The general law relating to consent by political
18 subdivisions to the creation of districts with conservation,
19 reclamation, and road powers and the inclusion of land in those
20 districts has been complied with.

21 (e) All requirements of the constitution and laws of this
22 state and the rules and procedures of the legislature with respect
23 to the notice, introduction, and passage of this article have been
24 fulfilled and accomplished.

25 SECTION ____ .021. This article takes effect immediately if
26 this Act receives a vote of two-thirds of all the members elected to
27 each house, as provided by Section 39, Article III, Texas
28 Constitution. If this Act does not receive the vote necessary for
29 immediate effect, this article takes effect September 1, 2011.

ADOPTED

18-13
MAY 21 2011

FLOOR AMENDMENT NO. 4

Antony Spaw
Secretary of the Senate

BY: *Fraser*

1 Amend C.S.H.B. No. 725 (senate committee printing) by
2 adding the following appropriately numbered SECTIONS to the bill
3 and renumbering subsequent SECTIONS accordingly:

4 SECTION _____. Subchapter H, Chapter 49, Water Code, is
5 amended by adding Section 49.2127 to read as follows:

6 Sec. 49.2127. WATER MANAGEMENT PLANS FOR CERTAIN SPECIAL
7 WATER AUTHORITIES. (a) In this section:

8 (1) "Authority" means a special water authority to
9 which this section applies under Subsection (b).

10 (2) "Firm water" means a supply of stored water that
11 could be supplied without shortage during each year of a
12 simulated repeat of the drought of record, while honoring all
13 senior water rights. During a drought of record, the supply of
14 water for firm water customers has a higher priority than that
15 of interruptible water customers.

16 (3) "Interruptible water" means a stored supply of
17 water for customers of an authority that must be curtailed
18 before the authority curtails firm water supplies.

19 (b) This section applies only to a special water authority
20 whose water management plan consists of a reservoir operation
21 plan for the operation of two water supply reservoirs and was:

22 (1) developed by an applicant for a permit under
23 Chapter 11; and

24 (2) originally required by a court order adjudicating
25 the water rights for those reservoirs.

26 (c) An authority's water management plan must:

27 (1) ensure that adequate firm water supplies are
28 available to meet the existing and projected demands of firm
29 water customers to the extent:

1 (A) provided by previously adjudicated water
2 rights; and

3 (B) other supplies are not available to the
4 authority to meet those firm water customer demands; and

5 (2) provide for curtailing water supplies under
6 interruptible commitments before requesting that firm water
7 customers institute voluntary drought contingency measures.

8 SECTION ____ . A special water authority to which Section
9 49.2127, Water Code, as added by this Act, applies shall adopt
10 or amend its rules and its water management plan as required to
11 implement Section 49.2127, Water Code, as added by this Act.

ADOPTED

29-1
MAY 21 2011

Floor Amendment No. 7

Atty. Gen.
Secretary of the Senate

By: *David*

Amend CSHB 725 (Senate Committee printing) by adding a new appropriately numbered SECTION as follows:

1 SECTION____. Subsection (j), Section 13.255, Water Code, is
2 amended as follows:

3 (j) This section shall apply only in a case where:

4 (1) the retail public utility that is authorized to
5 serve in the certificated area that is annexed or incorporated by
6 the municipality is a nonprofit water supply or sewer service
7 corporation, a special utility district under Chapter 65, Water
8 Code, a fresh water supply district under Chapter 53 Water Code; or

9 (2) the retail public utility that is authorized to
10 serve in the certificated area that is annexed or incorporated by
11 the municipality is a retail public utility, other than a nonprofit
12 water supply or sewer service corporation, and whose service area
13 is located entirely within the boundaries of a municipality with a
14 population of 1.7 million or more according to the most recent
15 federal census; or

16 (3) the retail public utility that is authorized to
17 serve in the certificated area that is annexed or incorporated by
18 the municipality is a retail public utility, other than a nonprofit
19 water supply or sewer service corporation, and the service area to
20 be acquired is located entirely within the boundaries of a
21 municipality with a population of more than 30,000 that is in a
22 county that has population of less than 90,000 and borders Lake Ray
23 Hubbard according to the most recent federal census.

ADOPTED

MAY 21 2011

Atay Spaw
Secretary of the Senate

FLOOR AMENDMENT NO. 8

BY: *Aam*

1 Amend the C.S.H.B. No. 725 (Senate Committee Substitute) by
2 Amending Section 36.0151(c), Water Code, in SECTION 7 of the
3 bill by inserting the following between the words "district" and
4 "under" on page 3, line 22:

5 ", before September 1, 2015, "

6

ADOPTED

Whitely J. Dutton

FLOOR AMENDMENT No. 9

MAY 21 2011 BY: _____

Amend H. B. No. 725 by *Antony Spaw*
Secretary of the Senate adding the following section to
the bill, numbered appropriately:

SECTION _____. Subchapter H, Chapter 49, Water Code, is
amended to add Section 49.239 to read as follows:

Sec. 49.239. WATER RATES. (a) In this section "utility"
means any person or entity or any combination of persons or
entities, other than a district, a water supply corporation that
has adopted and is operating in accordance with by-laws or
articles of incorporation which ensure that it is member-owned
and member-controlled, or a political subdivision of the state,
or their lessees, trustees, and receivers, providing potable
water service to a district or to the residents of such
district.

(b) Notwithstanding the provisions of any agreement, a
district may appeal the rate it is charged by a utility for
potable water service by filing a petition with the commission.
The commission shall hear the appeal de novo and the utility
shall have the burden of proof to establish that the rate is
just and reasonable and does not adversely affect the public
interest. The commission shall presume that the rate adversely
affects the public interest if the rate the utility charges at
the time the petition is filed is at least 200 percent higher
than the rate charged at any time during the 36-month period
before the date of the petition. The commission shall fix the
rates to be charged by the utility and the utility may not
increase such rates without the approval of the commission.

FLOOR AMENDMENT NO. 10

ADOPTED

BY: *Seliger*

MAY 21 2011

Atty Gen
Secretary of the Senate

1 Amend the senate committee printing of House Bill 725 by
2 adding the following SECTIONS and renumbering the subsequent
3 SECTIONS accordingly:

4 SECTION ____ . Section 36.1071, Water Code, is amended by
5 amending Subsections (c) and (f) and adding Subsection (f-1) to
6 read as follows:

7 (c) The commission and the Texas Water Development Board
8 shall provide technical assistance to a district in the
9 development of the management plan required under Subsection (a)
10 that [~~which~~] may include, if requested by the district, a
11 preliminary review and comment on the plan prior to final
12 approval by the Texas Water Development Board [~~board~~]. If such
13 review and comment by the commission is requested, the
14 commission shall provide comment not later than 30 days from the
15 date the request is received.

16 (f) [~~The district shall adopt rules necessary to implement~~
17 ~~the management plan.~~] Prior to the development of the
18 district's first management plan and [~~its~~] approval of that plan
19 under Section 36.1072, the district:

20 (1) [~~may not adopt rules other than rules pertaining~~
21 ~~to the registration and interim permitting of new and existing~~
22 ~~wells and rules governing spacing and procedure before the~~
23 ~~district's board; however, the district may not adopt any rules~~
24 ~~limiting the production of wells, except rules requiring that~~
25 ~~groundwater produced from a well be put to a nonwasteful,~~
26 ~~beneficial use. The district]~~ may accept applications for
27 permits under Section 36.113, provided the district does not act
28 on any such application until the district's management plan is
29 approved as provided in Section 36.1072;

1 (2) may adopt rules pertaining to the registration,
2 interim permitting, metering, production reporting, spacing,
3 and, where applicable, fee payment for authorized or actual
4 production of water from new and existing wells;

5 (3) may adopt rules governing procedure before the
6 district's board; and

7 (4) may not adopt any rules limiting the production
8 of wells, except rules requiring that groundwater produced from
9 a well be put to a nonwasteful, beneficial use.

10 (f-1) After a management plan is finally approved under
11 Section 36.1072, the district shall adopt or amend rules
12 limiting the production of wells or allocating groundwater as
13 necessary to implement the management plan and achieve the
14 applicable desired future condition. A district may not adopt
15 or amend rules limiting the production of wells or allocating
16 groundwater if the district fails to:

17 (1) adopt a management plan as required by this
18 section;

19 (2) submit a management plan to the executive
20 administrator as required by Section 36.1072; and

21 (3) receive approval of the management plan under
22 Section 36.1072.

23 SECTION _____. Section 36.1072, Water Code, is amended by
24 amending Subsection (c) and adding Subsection (c-1) to read as
25 follows:

26 (c) Once the executive administrator has granted
27 administrative approval to [approved] a management plan:

28 (1) the executive administrator may not revoke but
29 may require revisions to the approved [~~groundwater conservation~~
30 ~~district~~] management plan as provided by Subsection (g); and

31 (2) the executive administrator may request

1 additional information from the district if the information is
2 necessary to clarify, modify, or supplement previously submitted
3 material[, ~~but a request for additional information does not~~
4 ~~render the management plan unapproved~~].

5 (c-1) Not later than the 60th day after the date of the
6 administrative approval of a district's management plan under
7 Subsection (c), the executive administrator shall review the
8 management plan to determine whether goals of the management
9 plan are consistent with the achievement of the desired future
10 conditions established under Section 36.108(d) that are
11 applicable to all or part of the district, considering any
12 available information regarding groundwater levels, and:

13 (1) request additional information from the district;

14 (2) recommend that the district make substantive
15 changes to the management plan; or

16 (3) approve the management plan.

17 SECTION _____. Section 36.1073, Water Code, is amended to
18 read as follows:

19 Sec. 36.1073. AMENDMENT TO MANAGEMENT PLAN. Any amendment
20 to a district's [~~the~~] management plan shall be submitted to the
21 executive administrator within 60 days following adoption of the
22 amendment by the district's board. The executive administrator
23 shall review and approve any amendment that [~~which~~]
24 substantially affects the management plan in accordance with the
25 procedures established under Section 36.1072.

26 SECTION _____. Subsection (n), Section 36.108, Water Code,
27 is amended to read as follows:

28 (n) The districts shall prepare [~~a~~] revised conditions
29 [~~plan~~] in accordance with development board recommendations and
30 hold, after notice, at least one public hearing at a central
31 location in the groundwater management area. After

1 consideration of all public and development board comments, the
2 districts shall revise the conditions and submit the conditions
3 to the development board for review.

4 SECTION _____. Section 36.207, Water Code, is amended to
5 read as follows:

6 Sec. 36.207. USE OF PRODUCTION [~~PERMIT~~] FEES AUTHORIZED BY
7 SPECIAL LAW. A district may use funds obtained from production
8 [~~permit~~] fees collected pursuant to the special law governing
9 the district for any purpose consistent with the district's
10 approved [~~certified water~~] management plan including, without
11 limitation, making grants, loans, or contractual payments to
12 achieve, facilitate, or expedite reductions in groundwater
13 pumping or the development or distribution of alternative water
14 supplies.

15 SECTION _____. Section 36.301, Water Code, is amended to
16 read as follows:

17 Sec. 36.301. VIOLATIONS RELATED TO [~~FAILURE TO SUBMIT A~~]
18 MANAGEMENT PLAN. The commission shall take appropriate action
19 under Section 36.303 if:

20 (1) a district adopts or amends a rule in violation
21 of Section 36.1071(f-1);

22 (2) [~~if~~] a district [~~board~~] fails to submit a
23 management plan or to receive approval [~~certification~~] of the
24 [~~its~~] management plan under Section 36.1072;

25 (3) a district fails to timely readopt the management
26 plan or to submit the readopted management plan to the executive
27 administrator for approval in accordance with Section
28 36.1072(f);

29 (4) the executive administrator determines that a
30 readopted management plan does not meet the requirements for
31 approval, and the district has exhausted all appeals; or

1 (5) a district fails to submit or receive approval
2 [~~certification~~] of an amendment to the management plan under
3 Section 36.1073 [~~, the commission shall take appropriate action~~
4 ~~under Section 36.303~~].

5 SECTION _____. (a) Section 36.1071, Water Code, as amended
6 by this Act, applies only to the rulemaking authority of a
7 groundwater conservation district related to a management plan
8 or an amendment to a management plan that is submitted by the
9 district to the executive administrator of the Texas Water
10 Development Board for review and approval on or after the
11 effective date of this Act. A district's rulemaking authority
12 related to a management plan or an amendment to a management
13 plan that is submitted to the executive administrator of the
14 Texas Water Development Board before the effective date of this
15 Act is governed by the law in effect when the management plan or
16 amendment was submitted, and the former law is continued in
17 effect for that purpose.

18 (b) The change in law made by this Act to Section 36.301,
19 Water Code, applies only to a violation by a groundwater
20 conservation district that occurs on or after the effective date
21 of this Act. A violation that occurs before the effective date
22 of this Act is governed by the law in effect on the date the
23 violation occurred, and the former law is continued in effect
24 for that purpose.

25
26

ADOPTED

20-8
MAY 21 2011

FLOOR AMENDMENT NO. 11

Atalay Spaw
Secretary of the Senate

BY: *Ken Hegar*

1 Amend H.B. No. 725 (Senate Committee Report) by adding the
2 appropriately numbered SECTIONS to the bill and renumbering the
3 subsequent SECTIONS accordingly:

4 SECTION ____ Section 1.03, Chapter 626, Acts of the 73rd
5 Legislature, Regular Session, 1993, is amended by amending
6 Subdivisions (6), (9), (10), (20), (21), and (25) and adding
7 Subdivision (28) to read as follows:

8 (6) "Commission" means the Texas [~~Natural Resource~~
9 ~~Conservation~~] Commission on Environmental Quality.

10 (9) "Domestic [~~or livestock~~] use" means the use of
11 water for:

12 (A) drinking, washing, or culinary purposes;

13 (B) irrigation of a family garden or orchard the
14 produce of which is for household consumption only; or

15 (C) the watering of residential landscape of
16 one-half acre or less or any other purpose incidental to and
17 associated with domestic activities, provided that the primary
18 purpose of the well is for the purposes of Paragraph (A)
19 [~~watering of animals~~].

20 (10) "Existing user" means a person who has withdrawn
21 and beneficially used groundwater [~~underground water~~] from the
22 aquifer on or before June 1, 1993.

23 (20) "Groundwater" means water percolating beneath
24 the surface of the earth [~~"Underground water" has the meaning~~
25 ~~assigned by Section 52.001, Water Code~~].

26 (21) "Waste" means:

27 (A) withdrawal of groundwater [~~underground~~
28 ~~water~~] from the aquifer at a rate and in an amount that causes
29 or threatens to cause intrusion into the reservoir of water

1 unsuitable for agricultural, gardening, domestic, or stock
2 raising purposes;

3 (B) the flowing or producing of wells from the
4 aquifer if the water produced is not used for a beneficial
5 purpose;

6 (C) escape of groundwater [~~underground water~~]
7 from the aquifer to any other reservoir that does not contain
8 groundwater [~~underground water~~];

9 (D) pollution or harmful alteration of
10 groundwater [~~underground water~~] in the aquifer by salt water or
11 other deleterious matter admitted from another stratum or from
12 the surface of the ground;

13 (E) wilfully or negligently causing, suffering,
14 or permitting groundwater [~~underground water~~] from the aquifer
15 to escape into any river, creek, natural watercourse,
16 depression, lake, reservoir, drain, sewer, street, highway,
17 road, or road ditch, or onto any land other than that of the
18 owner of the well unless such discharge is authorized by permit,
19 rule, or order issued by the commission under Chapter 26, Water
20 Code;

21 (F) groundwater [~~underground water~~] pumped from
22 the aquifer for irrigation that escapes as irrigation tailwater
23 onto land other than that of the owner of the well unless
24 permission has been granted by the occupant of the land
25 receiving the discharge; or

26 (G) for water produced from an artesian well,
27 "waste" has the meaning assigned by Section 11.205, Water Code.

28 (25) "Withdrawal" means an act or a failure to act
29 that results in taking water from the aquifer by or through man-
30 made facilities, including pumping, withdrawing, or diverting
31 groundwater [~~underground water~~].

1 (28) "Livestock use" means the use of water for
2 watering livestock or poultry.

3 SECTION ____ . Section 1.07, Chapter 626, Acts of the 73rd
4 Legislature, Regular Session, 1993, is amended to read as
5 follows:

6 Sec. 1.07. OWNERSHIP OF GROUNDWATER [~~UNDERGROUND WATER~~].
7 The ownership and rights of the owner of the land and the
8 owner's lessees and assigns, including holders of recorded liens
9 or other security interests in the land, in groundwater
10 [~~underground water~~] and the contract rights of any person who
11 purchases water for the provision of potable water to the public
12 or for the resale of potable water to the public for any use are
13 recognized. However, action taken pursuant to this Act may not
14 be construed as depriving or divesting the owner or the owner's
15 lessees and assigns, including holders of recorded liens or
16 other security interests in the land, of these ownership rights
17 or as impairing the contract rights of any person who purchases
18 water for the provision of potable water to the public or for
19 the resale of potable water to the public for any use, subject
20 to the rules adopted by the authority [~~or a district exercising~~
21 ~~the powers provided by Chapter 52, Water Code~~]. The legislature
22 intends that just compensation be paid if implementation of this
23 article causes a taking of private property or the impairment of
24 a contract in contravention of the Texas or federal
25 constitution.

26 SECTION ____ . Sections 1.08(a) and (b), Chapter 626, Acts
27 of the 73rd Legislature, Regular Session, 1993, are amended to
28 read as follows:

29 (a) The authority has all of the powers, rights, and
30 privileges necessary to manage, conserve, preserve, and protect
31 the aquifer and to increase the recharge of, and prevent the

1 waste or pollution of water in, the aquifer. The authority has
2 all of the rights, powers, privileges, authority, functions, and
3 duties provided by the general law of this state, including
4 Chapters 49 and [50,] 51, [~~and 52,~~] Water Code, applicable to an
5 authority created under Article XVI, Section 59, of the Texas
6 Constitution. This article prevails over any provision of
7 general law that is in conflict or inconsistent with this
8 article regarding the area of the authority's jurisdiction.
9 Chapter 36, Water Code, does not apply to the authority.

10 (b) The authority's powers regarding groundwater
11 [~~underground water~~] apply only to groundwater [~~underground~~
12 ~~water~~] within or withdrawn from the aquifer. This section
13 [~~subsection~~] is not intended to allow the authority to regulate
14 surface water.

15 SECTION ____ . Section 1.09, Chapter 626, Acts of the 73rd
16 Legislature, Regular Session, 1993, is amended by amending
17 Subsection (d) and adding Subsection (i) to read as follows:

18 (d) Section [~~Sections 41.003 and~~] 41.008, Election Code,
19 does [~~do~~] not apply to an election held under this article.

20 (i) A member of a governing body of another political
21 subdivision is ineligible for appointment or election as a
22 director of the authority. A director of the authority is
23 disqualified and vacates the office of director if the director
24 is appointed or elected as a member of the governing body of
25 another political subdivision.

26 SECTION ____ . Section 1.10(h), Chapter 626, Acts of the
27 73rd Legislature, Regular Session, 1993, is amended to read as
28 follows:

29 (h) The presiding officer of the advisory committee shall
30 submit a report assessing the effectiveness of the authority to
31 the commission and the authority by December [~~March~~] 31 of each

1 even-numbered year. The report must assess the effect on
2 downstream water rights of the management of the aquifer. The
3 authority shall consider the report in managing the authority's
4 affairs.

5 SECTION _____. Sections 1.11(d) and (g), Chapter 626, Acts
6 of the 73rd Legislature, Regular Session, 1993, are amended to
7 read as follows:

8 (d) The authority may:

9 (1) issue or administer grants, loans, or other
10 financial assistance to water users for water conservation and
11 water reuse;

12 (2) enter into contracts;

13 (3) sue and be sued only in its own name;

14 (4) receive gifts, grants, awards, and loans for use
15 in carrying out its powers and duties;

16 (5) hire an executive director to be the chief
17 administrator of the authority and other employees as necessary
18 to carry out its powers and duties;

19 (6) delegate the power to hire employees to the
20 executive director of the authority;

21 (7) own real and personal property;

22 (8) close abandoned, wasteful, or dangerous wells;

23 (9) hold permits under state law or under federal law
24 pertaining to the Endangered Species Act of 1973 (16 U.S.C.
25 Section 1531 et seq.) and its amendments;

26 (10) enforce Chapter 1901 [~~32~~], Occupations Code
27 [~~Water Code~~], and Texas Department of Licensing and Regulation
28 [~~commission~~] rules adopted under that chapter [~~Act~~] within the
29 authority's boundaries; and

30 (11) require to be furnished to the authority water
31 well drillers' logs that are required by Chapter 1901 [~~32~~],

1 Occupations Code [~~Water Code~~], to be kept and furnished to the
2 Texas Department of Licensing and Regulation [~~commission~~].

3 (g) The authority has the power of eminent domain. The
4 authority may not acquire rights to groundwater [~~underground~~
5 ~~water~~] by the power of eminent domain.

6 SECTION _____. Section 1.13, Chapter 626, Acts of the 73rd
7 Legislature, Regular Session, 1993, is amended to read as
8 follows:

9 Sec. 1.13. REUSE AUTHORIZED. Any regulation of the
10 withdrawal of water from the aquifer must allow for credit to be
11 given for certified reuse of the water. For regulatory credit,
12 the authority [~~or a local underground water conservation~~
13 ~~district~~] must certify:

- 14 (1) the lawful use and reuse of aquifer water;
15 (2) the amount of aquifer water to be used; and
16 (3) the amount of aquifer withdrawals replaced by
17 reuse.

18 SECTION _____. Section 1.14(e), Chapter 626, Acts of the
19 73rd Legislature, Regular Session, 1993, is amended to read as
20 follows:

21 (e) The authority may not allow withdrawals from the
22 aquifer through wells drilled after June 1, 1993, except for
23 replacement or [~~7~~] test[~~7~~ ~~or exempt~~] wells or wells exempt under
24 Section 1.33 of this article or to the extent that the authority
25 approves an amendment to an initial regular permit to authorize
26 a change in the point of withdrawal under that permit.

27 SECTION _____. Section 1.15, Chapter 626, Acts of the 73rd
28 Legislature, Regular Session, 1993, is amended by amending
29 Subsection (d) and adding Subsection (d-1) to read as follows:

30 (d) A permit issued by the authority to an applicant must
31 state the terms and provisions prescribed by the authority. Each

1 groundwater withdrawal permit must specify the maximum rate and
2 total volume of water that the water user may withdraw in a
3 calendar year.

4 (d-1) A permit may include:

5 (1) the name and address of the person to whom the
6 permit is issued;

7 (2) the location of the well;

8 (3) the term of the permit, including the date the
9 permit is to expire;

10 (4) a statement of the purpose for which the well is
11 to be used;

12 (5) a requirement that the water withdrawn under the
13 permit be put to beneficial use at all times;

14 (6) the location at which the water from the well
15 will be used;

16 (7) a water well closure plan or a declaration that
17 the applicant will comply with the authority's well closure
18 requirements and notify the authority of the closure;

19 (8) conditions and restrictions on the rate and
20 amount of withdrawal;

21 (9) conservation requirements prescribed by the
22 authority;

23 (10) a drought contingency plan prescribed by the
24 authority; and

25 (11) other terms and conditions the authority
26 determines reasonable and appropriate.

27 SECTION _____. Sections 1.16(a), (b), and (d), Chapter 626,
28 Acts of the 73rd Legislature, Regular Session, 1993, are amended
29 to read as follows:

30 (a) An existing user may apply for an initial regular
31 permit by filing a declaration of historical use of groundwater

1 [~~underground water~~] withdrawn from the aquifer during the
2 historical period from June 1, 1972, through May 31, 1993.

3 (b) An existing user's declaration of historical use must
4 be filed on or before December 30, 1996 [~~March 1, 1994~~], on a
5 form prescribed by the board. An applicant for a permit must
6 timely pay all application fees required by the board. An owner
7 of a well used for irrigation must include additional
8 documentation of the number of acres irrigated during the
9 historical period provided by Subsection (a) of this section.

10 (d) The board shall grant an initial regular permit to an
11 existing user who:

12 (1) files a declaration and pays fees as required by
13 this section; and

14 (2) establishes by convincing evidence beneficial use
15 of groundwater [~~underground water~~] from the aquifer.

16 SECTION _____. Sections 1.17(a) and (d), Chapter 626, Acts
17 of the 73rd Legislature, Regular Session, 1993, are amended to
18 read as follows:

19 (a) A person who, on the effective date of this article,
20 owns a producing well that withdraws water from the aquifer may
21 continue to withdraw and beneficially use water without waste
22 until final action on permits by the authority, if:

23 (1) the well is in compliance with all statutes and
24 rules relating to well construction, approval, location,
25 spacing, and operation; and

26 (2) by December 30, 1996 [~~March 1, 1994~~], the person
27 files a declaration of historical use on a form as required by
28 the authority.

29 (d) Interim authorization for a well under this section
30 ends on:

31 (1) entry of a final and appealable order by the

1 authority acting on the application for the well; or

2 (2) December 30, 1996 [~~March 1, 1994~~], if the well
3 owner has not filed a declaration of historical use.

4 SECTION ____ . Article 1, Chapter 626, Acts of the 73rd
5 Legislature, Regular Session, 1993, is amended by adding
6 Sections 1.21 and 1.211 to read as follows:

7 Sec. 1.21. CONTESTED CASE HEARINGS; REQUEST FOR REHEARING
8 OR FINDINGS AND CONCLUSIONS. (a) The authority, by rule, shall
9 define under what circumstances an application is considered
10 contested and shall limit participation in a hearing on a
11 contested application held in accordance with authority rules to
12 persons who have a personal justiciable interest related to a
13 legal right, duty, privilege, power, or economic interest
14 affected by an application, not including persons who have an
15 interest common to members of the public.

16 (b) Except as provided by Subsection (c) of this section,
17 an applicant or a party to a contested hearing may file a
18 request for rehearing not later than the 20th day after the date
19 of the board's decision.

20 (c) An applicant or a party to a contested hearing may
21 request written findings of fact and conclusions of law not
22 later than the 20th day after the date of the board's decision
23 on the application. On receipt of a timely filed written
24 request under this subsection, the board shall make written
25 findings of fact and conclusions of law regarding a decision of
26 the board on the application. The board shall provide copies of
27 the findings of fact and conclusions of law to the person who
28 requested them, and to each person who provided comments at the
29 initial hearing or each designated party, not later than the
30 35th day after the date the board received the request. A
31 person who receives a copy of the findings of fact and

1 conclusions of law from the board may request a rehearing before
2 the board not later than the 20th day after the date the board
3 issues the findings of fact and conclusions of law.

4 (d) A request for rehearing on a contested matter must be
5 filed in the authority's office and must state the grounds for
6 the request.

7 (e) If the board grants a request for rehearing, the board
8 shall schedule the rehearing not later than the 45th day after
9 the date the request is granted.

10 (f) The failure of the board to grant or deny a request
11 for rehearing before the 91st day after the date the request is
12 submitted constitutes a denial of the request.

13 Sec. 1.211. APPLICATION DECISION; WHEN FINAL. (a) A
14 decision by the board on an application is final:

15 (1) if a request for rehearing is not timely filed,
16 on the expiration of the period for filing a request for
17 rehearing; or

18 (2) if a request for rehearing is timely filed, on
19 the date:

20 (A) the board denies the request for rehearing;
21 or

22 (B) the board renders a written decision after
23 rehearing.

24 (b) A timely filed motion for rehearing challenging a
25 decision in a contested hearing is a prerequisite to a suit
26 against the authority under Section 1.46 of this article. A
27 suit under that section may be filed not later than the 60th day
28 after the date on which the decision becomes final.

29 SECTION ____ . Section 1.22(b), Chapter 626, Acts of the
30 73rd Legislature, Regular Session, 1993, is amended to read as
31 follows:

1 (b) The authority may acquire, ~~and~~ hold, and transfer
2 permits or rights to appropriate surface water or groundwater
3 from sources inside or outside of the authority's boundaries.
4 The authority may transport and distribute surface water or
5 groundwater as necessary to accomplish the powers and duties
6 authorized by this article or other applicable law.

7 SECTION ____ . Section 1.25, Chapter 626, Acts of the 73rd
8 Legislature, Regular Session, 1993, is amended to read as
9 follows:

10 Sec. 1.25. GROUNDWATER ~~[COMPREHENSIVE]~~ MANAGEMENT PLAN.

11 (a) Consistent with Section 1.14 of this article, after notice
12 and hearing, the authority shall develop~~[, by September 1,~~
13 ~~1995,]~~ and implement a groundwater ~~[comprehensive water]~~
14 management plan that includes conservation, future supply, and
15 demand management plans. The authority may not delegate the
16 development of the plan under Section 1.42 of this article.

17 (b) The authority shall develop the groundwater management
18 plan, and any amendment to the plan, using the best available
19 data that the authority has obtained and forward the plan, and
20 any amendment to the plan, to the appropriate regional water
21 planning group for use in the group's planning process ~~[The~~
22 ~~authority, in conjunction with the South Central Texas Water~~
23 ~~Advisory Committee, the Texas Water Development Board, and~~
24 ~~underground water conservation districts within the authority's~~
25 ~~boundaries, shall develop a 20 year plan for providing~~
26 ~~alternative supplies of water to the region, with five year~~
27 ~~goals and objectives, to be implemented by the authority and~~
28 ~~reviewed annually by the appropriate state agencies and the~~
29 ~~Edwards Aquifer Legislative Oversight Committee. The authority,~~
30 ~~advisory committee, Texas Water Development Board, and~~
31 ~~districts, in developing the plan, shall:~~

1 ~~[(1) thoroughly investigate all alternative~~
2 ~~technologies,~~

3 ~~[(2) investigate mechanisms for providing financial~~
4 ~~assistance for alternative supplies through the Texas Water~~
5 ~~Development Board; and~~

6 ~~[(3) perform a cost benefit analysis and an~~
7 ~~environmental analysis].~~

8 (c) On request by the authority, the commission and the
9 Texas Water Development Board shall provide technical assistance
10 to the authority in the development of the groundwater
11 management plan. The technical assistance provided may include
12 a preliminary review and comment on the plan prior to final
13 certification by the executive administrator of the Texas Water
14 Development Board. If such review and comment by the commission
15 is requested, the commission shall provide comment not later
16 than the 30th day after the date the request is received.

17 (d) On request of the executive director of the commission
18 or the executive administrator of the Texas Water Development
19 Board, the authority shall make available information that it
20 acquires concerning the aquifer and information concerning its
21 plans and activities in conserving and protecting the aquifer.
22 On request of the authority, the executive director and the
23 executive administrator shall provide information they acquire
24 concerning the aquifer within the authority's jurisdiction.

25 (e) In the groundwater management plan, the authority
26 shall:

27 (1) identify the performance standards and management
28 objectives under which the authority will operate to achieve its
29 aquifer management goals;

30 (2) specify the actions, procedures, performance, and
31 avoidance that are or may be necessary to effect the plan,

1 including specifications and proposed rules;

2 (3) include estimates of the following:

3 (A) the amount of groundwater being used within
4 the authority on an annual basis;

5 (B) the annual amount of recharge to the
6 aquifer;

7 (C) the annual volume of water that discharges
8 from the aquifer to springs;

9 (D) the annual volume of flow into and out of
10 the authority's jurisdiction within the aquifer and between the
11 aquifer and other aquifers within the authority's boundaries, if
12 an appropriate groundwater availability model is available;

13 (E) the projected surface water supply in the
14 authority according to the most recently adopted state water
15 plan; and

16 (F) the projected total demand for water in the
17 authority according to the most recently adopted state water
18 plan; and

19 (4) consider the water supply needs and water
20 management strategies included in the adopted state water plan.

21 (f) The authority shall adopt amendments to the
22 groundwater management plan as necessary. An amendment to the
23 plan may be adopted only after notice and hearing. An amendment
24 to the plan shall be submitted to the executive administrator of
25 the Texas Water Development Board not later than the 60th day
26 after the date the amendment is adopted by the board. The
27 executive administrator shall review and certify any amendment
28 in accordance with the procedures established in this section.

29 (g) The authority shall, not later than December 31, 2015,
30 submit its next groundwater management plan to the executive
31 administrator of the Texas Water Development Board for review

1 and certification.

2 (h) Not later than the 60th day after the date of receipt
3 of the groundwater management plan adopted by the board, the
4 executive administrator of the Texas Water Development Board
5 shall certify the plan if the plan is administratively complete.
6 The plan is administratively complete if it contains the
7 information required by this section. Once the executive
8 administrator has certified the plan, the executive
9 administrator may not decertify the plan.

10 (i) The groundwater management plan takes effect on
11 certification by the executive administrator of the Texas Water
12 Development Board.

13 (j) The authority shall review its groundwater management
14 plan annually and must review and readopt the plan with or
15 without amendments at least once every five years. The
16 authority shall provide the readopted plan to the executive
17 administrator of the Texas Water Development Board not later
18 than the 60th day after the date on which the plan was readopted
19 by the board. Certification of the preceding plan remains in
20 effect until the executive administrator has certified the
21 readopted plan.

22 (k) If the executive administrator of the Texas Water
23 Development Board does not certify the groundwater management
24 plan, the executive administrator shall provide to the
25 authority, in writing, the reasons for the action. Not later
26 than the 180th day after the date the authority receives notice
27 that its plan has not been certified, the authority may submit a
28 revised plan for review and certification. The executive
29 administrator's decision may be appealed to the Texas Water
30 Development Board. If the Texas Water Development Board decides
31 not to certify the plan on appeal, the authority may request

1 that the conflict be mediated. The authority and the Texas
2 Water Development Board may seek the assistance of the Center
3 for Public Policy Dispute Resolution at The University of Texas
4 at Austin School of Law or an alternative dispute resolution
5 system established under Chapter 152, Civil Practice and
6 Remedies Code, in obtaining a qualified impartial third party to
7 mediate the conflict. The cost of the mediation services must
8 be specified in the agreement between the parties and the Center
9 for Public Policy Dispute Resolution or the alternative dispute
10 resolution system. If the parties do not resolve the conflict
11 through mediation, the decision of the Texas Water Development
12 Board not to certify the plan may be appealed to a district
13 court in Travis County. Costs for the appeal shall be set by
14 the court hearing the appeal. An appeal under this subsection
15 is by trial de novo.

16 SECTION ____ . Section 1.29, Chapter 626, Acts of the 73rd
17 Legislature, Regular Session, 1993, is amended by amending
18 Subsections (f), (g), (h), and (i) to read as follows:

19 (f) In addition to the fees assessed under Subsection (b)
20 of this section, the authority may assess fees to recover
21 administrative costs such as filing and processing applications
22 and registrations. The fees may not unreasonably exceed the
23 administrative costs. [~~The authority shall impose a permit~~
24 application fee not to exceed \$25.]

25 (g) [~~The authority may impose a registration application~~
26 fee not to exceed \$10.

27 [~~(h)~~] Fees assessed by the authority may not be used to
28 fund the cost of reducing withdrawals or retiring permits or of
29 judgments or claims related to withdrawals or permit
30 retirements.

31 (h) [~~(i)~~] The authority and other stakeholders, including

1 state agencies, listed under Section 1.26A of this article shall
2 provide money as necessary to finance the activities of the
3 steering committee and any subcommittees appointed by the
4 steering committee and the program director of the recovery
5 implementation program under Section 1.26A of this article. The
6 authority shall provide, as necessary, up to \$75,000 annually,
7 adjusted for changes in the consumer price index, to finance the
8 South Central Texas Water Advisory Committee's administrative
9 expenses and programs authorized under this article.

10 SECTION _____. Section 1.30(e), Chapter 626, Acts of the
11 73rd Legislature, Regular Session, 1993, is amended to read as
12 follows:

13 (e) Section [~~Sections 11.028 and~~] 11.033, Water Code, does
14 [~~do~~] not apply to a permit issued under this section.

15 SECTION _____. Section 1.31(b), Chapter 626, Acts of the
16 73rd Legislature, Regular Session, 1993, is amended to read as
17 follows:

18 (b) The authority is responsible for the costs of
19 purchasing, installing, and maintaining measuring devices, if
20 required, for an irrigation well in existence on June 28, 1996
21 [~~September 1, 1993~~].

22 SECTION _____. Section 1.33, Chapter 626, Acts of the 73rd
23 Legislature, Regular Session, 1993, is amended to read as
24 follows:

25 Sec. 1.33. WELL METERING EXEMPTION. (a) Except as
26 provided by Subsections (d) and (e) of this section, a [A] well
27 that is drilled, completed, or equipped so that it is incapable
28 of producing more than [produces] 25,000 gallons of water per
29 [a] day and is and will be used exclusively [or less] for
30 domestic use or livestock use is exempt from metering and
31 withdrawal permit requirements.

1 (b) A well drilled on or before June 1, 2011, that is
2 incapable of producing more than 1,250 gallons of water per day
3 or that is metered and does not produce more than 1,250 gallons
4 of water per day for any purpose authorized in this article is
5 exempt from withdrawal permit requirements. Multiple wells may
6 not be used in combination in a manner to satisfy a single water
7 use or purpose, that when combined, would not come within the
8 requirements of this subsection.

9 (c) A well that is exempt under Subsection (a) or (b) of
10 this section [~~Exempt wells~~] must be registered [~~register~~] with
11 the authority [~~or with an underground water conservation~~
12 ~~district in which the well is located~~].

13 (d) [~~e~~] A well that meets the requirements of Subsection
14 (a) of this section [~~within or serving a subdivision requiring~~
15 ~~platting~~] does not qualify for an exemption if the well:

16 (1) serves a subdivision of land requiring plat
17 approval under Chapter 232, Local Government Code;

18 (2) supplies water to a public water system as
19 defined by 30 T.A.C. Section 290.38; or

20 (3) produces groundwater for domestic use, was
21 drilled on or before June 1, 2011, and is on a tract of land
22 with a residence that receives water service from a retail
23 public utility as defined by Section 13.002, Water Code [~~exempt~~
24 ~~use~~].

25 (e) A well drilled after June 1, 2011, that meets the
26 requirements of Subsection (a) of this section, is exempt from
27 metering and withdrawal permit requirements only if the well is
28 on a tract of land larger than 10 acres.

29 SECTION _____. Article 1, Chapter 626, Acts of the 73rd
30 Legislature, Regular Session, 1993, is amended by adding Section
31 1.361 to read as follows:

1 Sec. 1.361. ABANDONED, OPEN, UNCOVERED, OR DETERIORATED
2 WELLS. (a) If the owner or lessee of land on which an
3 abandoned, open, uncovered, or deteriorated well is located
4 fails or refuses to close, cap, or plug the well in compliance
5 with Chapter 1901, Occupations Code, and the authority's rules,
6 the authority or its authorized employees, representatives, or
7 agents may enter the land and close, cap, or plug the well in a
8 safe and secure manner.

9 (b) Reasonable expenses incurred by the authority in
10 closing, capping, or plugging a well constitute a lien on the
11 land on which the well is located.

12 (c) A lien described by Subsection (b) of this section
13 arises and attaches after an affidavit executed by any person
14 with knowledge of the facts of the closing, capping, or plugging
15 is recorded in the deed records of the county where the well is
16 located. The affidavit must contain:

17 (1) a statement or photograph confirming the
18 existence of the well;

19 (2) the legal description of the property on which
20 the well is located;

21 (3) a description of the approximate location of the
22 well on the property;

23 (4) a statement confirming the failure or refusal of
24 the owner or lessee, after notification, to close or cap the
25 well within 10 days after the notification;

26 (5) a statement confirming the closing, capping, or
27 plugging of the well by the authority, or by an authorized
28 agent, representative, or employee of the authority; and

29 (6) a statement of the expenses incurred by the
30 authority in closing, capping, or plugging the well.

31 (d) Nothing in this section affects the enforcement of

1 Subchapter A, Chapter 756, Health and Safety Code.

2 SECTION _____. Sections 1.37(j), (n), and (r), Chapter 626,
3 Acts of the 73rd Legislature, Regular Session, 1993, are amended
4 to read as follows:

5 (j) Within 30 days after the date the authority's order is
6 final as provided by Section 2001.144(a), Government Code
7 [~~Subsection (c), Section 16, Administrative Procedure and Texas~~
8 ~~Register Act (Article 6252 13a, Vernon's Texas Civil Statutes)~~],
9 the person shall:

10 (1) pay the amount of the penalty;

11 (2) pay the amount of the penalty and file a petition
12 for judicial review contesting the occurrence of the violation,
13 the amount of the penalty, or both the occurrence of the
14 violation and the amount of the penalty; or

15 (3) without paying the amount of the penalty, file a
16 petition for judicial review contesting the occurrence of the
17 violation, the amount of the penalty, or both the occurrence of
18 the violation and the amount of the penalty.

19 (n) Judicial review of the order of the authority:

20 (1) is instituted by filing a petition as provided by
21 Subchapter G, Chapter 2001, Government Code [~~Section 19,~~
22 ~~Administrative Procedure and Texas Register Act (Article 6252-~~
23 ~~13a, Vernon's Texas Civil Statutes)~~]; and

24 (2) is under the substantial evidence rule.

25 (r) All proceedings under this section are subject to
26 Chapter 2001, Government Code [~~the Administrative Procedure and~~
27 ~~Texas Register Act (Article 6252 13a, Vernon's Texas Civil~~
28 ~~Statutes)~~].

29 SECTION _____. Section 1.38, Chapter 626, Acts of the 73rd
30 Legislature, Regular Session, 1993, is amended to read as
31 follows:

1 Sec. 1.38. INJUNCTION BY AUTHORITY. (a) The authority
2 may file a civil suit in a state district court for an
3 injunction or mandatory injunction to enforce this article. The
4 authority may recover reasonable attorney fees in a suit under
5 this section.

6 (b) In an enforcement action by the authority against a
7 governmental entity for a violation of authority rules, the
8 limits on the amount of fees, costs, and penalties that the
9 authority may impose under this section constitute a limit of
10 the governmental entity's liability for the violation. This
11 subsection shall not be construed to prohibit the recovery by
12 the authority of fees and costs under this article in an action
13 against a governmental entity.

14 SECTION ____ . Sections 1.42(a), (b), and (c), Chapter 626,
15 Acts of the 73rd Legislature, Regular Session, 1993, are amended
16 to read as follows:

17 (a) A groundwater [~~An underground water~~] conservation
18 district other than the authority may manage and control water
19 that is a part of the aquifer after the effective date of this
20 article only as provided in this section. This article does not
21 affect a water reclamation or conservation district that manages
22 and controls only water from a resource other than the aquifer.

23 (b) A groundwater [~~An underground water~~] conservation
24 district other than the authority may manage and control water
25 that is a part of the aquifer to the extent that those
26 management activities do not conflict with and are not
27 duplicative of this article or the rules and orders of the
28 authority.

29 (c) Except as otherwise provided by this article, the
30 board may delegate the powers and duties granted to it under
31 this article. The board shall delegate all or part of its

1 powers or duties to a groundwater [~~an underground water~~]
2 conservation district on the district's request if the district
3 demonstrates to the satisfaction of the board that:

4 (1) the district has statutory powers necessary for
5 full enforcement of the rules and orders to be delegated;

6 (2) the district has implemented all rules and
7 policies necessary to fully implement the programs to be
8 delegated; and

9 (3) the district has implemented a system designed to
10 provide the authority with adequate information with which to
11 monitor the adequacy of the district's performance in enforcing
12 board rules and orders.

13 SECTION _____. Section 1.43, Chapter 626, Acts of the 73rd
14 Legislature, Regular Session, 1993, is amended to read as
15 follows:

16 Sec. 1.43. CREATION OF GROUNDWATER [~~UNDERGROUND WATER~~]
17 CONSERVATION DISTRICT. A groundwater [~~An underground water~~]
18 conservation district may be created in any county affected by
19 this article as provided by Subchapter B, Chapter 36 [~~52~~], Water
20 Code.

21 SECTION _____. Article 1, Chapter 626, Acts of the 73rd
22 Legislature, Regular Session, 1993, is amended by adding Section
23 1.46 to read as follows:

24 Sec. 1.46. SUITS. (a) An affected person dissatisfied
25 with any authority rule, order, or act is entitled to file suit
26 against the authority or its directors to challenge the validity
27 of the rule, order, or act. The suit may be filed in any county
28 in which the authority is located. The suit may be filed only
29 after all administrative appeals to the authority are final.
30 The burden of proof is on the petitioner, and the challenged
31 rule, order, or act shall be deemed prima facie valid. The

1 review on appeal is governed by Section 2001.038 or 2001.174,
2 Government Code, as appropriate.

3 (b) If the authority prevails in a suit to enforce this
4 article or its rules, orders, or acts, or in a suit other than a
5 suit in which it voluntarily intervenes, the authority may seek
6 and the court shall grant, in the same action, recovery for
7 attorney's fees, costs for expert witnesses, and other costs
8 incurred by the authority before the court. The court shall set
9 the amount of the attorney's fees.

10 SECTION _____. Section 4.02, Chapter 626, Acts of the 73rd
11 Legislature, Regular Session, 1993, is transferred to Article 1
12 of that Act, redesignated as Section 1.47, and amended to read
13 as follows:

14 Sec. 1.47 [~~4.02~~]. ORIGINAL EFFECTIVE DATES. This article
15 [~~Act~~] takes effect June 28, 1996 [~~September 1, 1993~~], except
16 Section 1.35 of Article 1 takes effect December 30, 1996 [~~March~~
17 ~~1, 1994~~].

18 SECTION _____. Section 3.02, Chapter 626, Acts of the 73rd
19 Legislature, Regular Session, 1993, is amended to read as
20 follows:

21 Sec. 3.02. NOTICE OF AVAILABLE WATER. The Texas [~~Natural~~
22 ~~Resource Conservation~~] Commission on Environmental Quality shall
23 notify the Edwards Aquifer Authority of any water available for
24 appropriation in the Guadalupe-Blanco River Basin as the
25 commission discovers the available water.

26 SECTION _____. Section 36.205(e), Water Code, is amended to
27 read as follows:

28 (e) Subsection (c) does not apply to the following
29 districts:

- 30 (1) [~~the Edwards Aquifer Authority,~~
31 [~~+~~] the Fort Bend Subsidence District;

1 (2) [~~3~~] the Harris-Galveston Coastal Subsidence
2 District;

3 (3) [~~4~~] the Barton Springs-Edwards Aquifer
4 Conservation District; or

5 (4) [~~5~~] any district that collects a property tax
6 and that was created before September 1, 1999, unless otherwise
7 authorized by special law.

8 SECTION _____. The following laws are repealed:

9 (1) Section 1.41(d), Chapter 626, Acts of the 73rd
10 Legislature, Regular Session, 1993; and

11 (2) Sections 36.101(1), 36.1011(e), and 36.419, Water
12 Code.

13 SECTION _____. (a) A suit based on or derived from Chapter
14 36, Water Code, contesting the validity or implementation of
15 Article 1, Chapter 626, Acts of the 73rd Legislature, Regular
16 Session, 1993, or a rule, order, or other action of the Edwards
17 Aquifer Authority under that article may not be instituted in a
18 state court.

19 (b) A person may not institute or maintain a suit against
20 the Edwards Aquifer Authority based on or derived from Chapter
21 36, Water Code, for any injury or potential injury, including
22 any injury or potential injury caused by an action taken by the
23 authority to implement or enforce Article 1, Chapter 626, Acts
24 of the 73rd Legislature, Regular Session, 1993, or a rule,
25 order, or other action of the authority under that article.

26 (c) The changes in law made by this Act to Chapter 36,
27 Water Code, apply only to a cause of action against the Edwards
28 Aquifer Authority filed on or after the effective date of this
29 Act. A cause of action filed before the effective date of this
30 Act is governed by the law in effect when the cause of action
31 was filed, and the former law is continued in effect for that

1 purpose.

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

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

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

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

ADOPTED

As amended
MAY 21 2011



FLOOR AMENDMENT NO. 13

Atty Gen BY: _____
Secretary of the Senate

1 Amend House Bill 725 by adding the following SECTIONS and
2 renumbering the subsequent SECTIONS accordingly:

3 SECTION _____. Subtitle I, Title 6, Special District Local
4 Laws Code, is amended by adding Chapter 9016 to read as follows:

5 CHAPTER 9016. MIDLAND COUNTY UTILITY DISTRICT

6 SUBCHAPTER A. GENERAL PROVISIONS

7 Sec. 9016.001. DEFINITIONS. In this chapter:

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

9 (2) "Commission" means the Texas Commission on
10 Environmental Quality.

11 (3) "County" means Midland County.

12 (4) "Director" means a board member.

13 (5) "District" means the Midland County Utility
14 District.

15 (6) "Municipality" means a municipality in whose
16 corporate limits or extraterritorial jurisdiction any part of
17 the district is located.

18 Sec. 9016.002. NATURE OF DISTRICT. The district is a
19 water control and improvement district created under Section 59,
20 Article XVI, Texas Constitution.

21 Sec. 9016.003. CONFIRMATION AND DIRECTORS' ELECTION
22 REQUIRED. The temporary directors shall hold an election to
23 confirm the creation of the district and to elect five permanent
24 directors as provided by Section 49.102, Water Code.

25 Sec. 9016.004. CONSENT OF MUNICIPALITY REQUIRED. The
26 temporary directors may not hold an election under Section
27 9016.003 until each municipality has consented by ordinance or
28 resolution to the creation of the district and to the inclusion
29 of land in the district.

30 Sec. 9016.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.

1 (a) The district is created to serve a public purpose and
2 benefit.

3 (b) The district is created to accomplish the purposes of
4 a water control and improvement district as provided by general
5 law and Section 59, Article XVI, Texas Constitution.

6 Sec. 9016.006. INITIAL DISTRICT TERRITORY. (a) The
7 district is initially composed of the territory described by
8 Section 2 of the Act enacting this chapter.

9 (b) The boundaries and field notes contained in Section 2
10 of the Act enacting this chapter form a closure. A mistake made
11 in the field notes or in copying the field notes in the
12 legislative process does not affect the district's:

13 (1) organization, existence, or validity;

14 (2) right to issue any type of bond for the purposes
15 for which the district is created or to pay the principal of and
16 interest on a bond;

17 (3) right to impose a tax; or

18 (4) legality or operation.

19 [Sections 9016.007-9016.050 reserved for expansion]

20 SUBCHAPTER B. BOARD OF DIRECTORS

21 Sec. 9016.051. GOVERNING BODY; TERMS. (a) Except as
22 provided by Subsection (c), the district is governed by a board
23 of five elected directors.

24 (b) Except as provided by Section 9016.052, directors
25 serve staggered four-year terms.

26 (c) If the municipality annexes any part of the territory
27 of the district, the municipality shall appoint one ex officio
28 member to the board to serve as a sixth director.

29 Sec. 9016.052. TEMPORARY DIRECTORS. (a) The temporary
30 board consists of:

31 (1) Shelton Viney;

1 (2) Susie Hitchcock-Hall;

2 (3) Alan Lang;

3 (4) David Orr; and

4 (5) Israel Rodriguez.

5 (b) Temporary directors serve until the earlier of:

6 (1) the date permanent directors are elected under
7 Section 9016.003; or

8 (2) September 1, 2015.

9 (c) If permanent directors have not been elected under
10 Section 9016.003 and the terms of the temporary directors have
11 expired, successor temporary directors shall be appointed or
12 reappointed as provided by Subsection (d) to serve terms that
13 expire on the earlier of:

14 (1) the date permanent directors are elected under
15 Section 9016.003; or

16 (2) the fourth anniversary of the date of the
17 appointment or reappointment.

18 (d) If Subsection (c) applies, the owner or owners of a
19 majority of the assessed value of the real property in the
20 district may submit a petition to the commission requesting that
21 the commission appoint as successor temporary directors the five
22 persons named in the petition. The commission shall appoint as
23 successor temporary directors the five persons named in the
24 petition.

25 Sec. 9016.053. NOTICE OF MEETINGS. The district shall
26 provide the municipality with written notice before a meeting of
27 the board.

28 [Sections 9016.054-9016.100 reserved for expansion]

29 SUBCHAPTER C. POWERS AND DUTIES

30 Sec. 9016.101. GENERAL POWERS AND DUTIES. The district
31 has the powers and duties necessary to accomplish the purposes

1 for which the district is created.

2 Sec. 9016.102. WATER CONTROL AND IMPROVEMENT DISTRICT
3 POWERS AND DUTIES. The district has the powers and duties
4 provided by the general law of this state, including Chapters 49
5 and 51, Water Code, applicable to water control and improvement
6 districts created under Section 59, Article XVI, Texas
7 Constitution.

8 Sec. 9016.103. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE
9 OR RESOLUTION. The district shall comply with all applicable
10 requirements of any ordinance or resolution that is adopted
11 under Section 42.042, Local Government Code, and Section
12 9016.004 and that consents to the creation of the district or to
13 the inclusion of land in the district.

14 Sec. 9016.104. COMPLIANCE WITH MUNICIPAL REGULATIONS. (a)
15 Any water, sanitary sewer, drainage, or other infrastructure or
16 public facilities constructed, acquired, improved, maintained,
17 or operated by the district shall comply with any applicable
18 regulations of the municipality in whose corporate limits or
19 extraterritorial jurisdiction the infrastructure or facilities
20 are located.

21 (b) Any water system constructed, acquired, improved,
22 maintained, or operated by the district shall:

23 (1) comply with any applicable regulations of the
24 municipality regarding specifications for rural density; and

25 (2) contain distribution lines that are:

26 (A) four inches or more in diameter; and

27 (B) sufficient to provide fire hydrant service
28 according to the municipality's specifications for rural
29 density.

30 Sec. 9016.105. COUNTY RIGHT-OF-WAY. The district must
31 obtain the approval of the county's governing body of the plans

1 and specifications of any facilities to be installed on property
2 located in a county right-of-way.

3 Sec. 9016.106. LIABILITY. (a) Neither the county nor the
4 municipality is liable for any claims arising from the operation
5 of the district's water system or other actions or inactions of
6 the district, including labor, safety, or signage, or
7 contamination or other environmental issues.

8 (b) Any action taken by the municipality is a governmental
9 function.

10 Sec. 9016.107. COSTS OF LINE RELOCATION. (a) The
11 district is solely responsible for the expense associated with
12 the relocation of any district water line required by:

13 (1) the county or a municipality; or

14 (2) a state or federal highway authority, including
15 the Texas Department of Transportation and the Federal Highway
16 Administration.

17 (b) The district will not unreasonably delay any requested
18 line relocation.

19 Sec. 9016.108. SERVICES TO BE PROVIDED BY THE DISTRICT,
20 COUNTY, OR MUNICIPALITY. (a) The district may enter into an
21 interlocal contract with the county or municipality to provide
22 governmental functions, including fire protection, trash
23 collection and disposal, and ambulance service.

24 (b) Notwithstanding Subsection (a), the municipality is
25 authorized to provide sewer and drainage service in the
26 district. The municipality shall establish the amount of the
27 fees to be charged to recipients of sewer and drainage service
28 under this subsection.

29 (c) Notwithstanding Subsection (a), the district may not
30 provide any services within the territorial limits of the
31 municipality as those limits exist on September 1, 2011.

1 Sec. 9016.109. ANNEXATION BY MUNICIPALITY. (a) The
2 municipality may annex a part of the territory of the district
3 without annexing the entire territory of the district.

4 (b) If the municipality annexes all or part of the
5 district:

6 (1) the annexed territory is not removed from the
7 district; and

8 (2) the district is not:

9 (A) dissolved; or

10 (B) prevented from providing district services
11 to the annexed territory.

12 (c) If any territory inside the district is annexed, the
13 owner of the property shall pay the same rate of ad valorem tax
14 to the municipality as other residents of the municipality.

15 (d) By annexing territory in the district, the
16 municipality does not assume any debt of the district.

17 (e) The district may not contest an annexation by the
18 municipality.

19 Sec. 9016.110. WATER SERVICE DEADLINE. The district must
20 begin operation of a water system serving at least a part of the
21 district not later than the sixth anniversary of the date that
22 district voters approve the issuance of bonds to provide for the
23 development of the water system.

24 Sec. 9016.111. LIMITATION ON USE OF EMINENT DOMAIN. The
25 district may not exercise the power of eminent domain:

26 (1) outside the district to acquire a site or
27 easement for a recreational facility as defined by Section
28 49.462, Water Code; or

29 (2) in the corporate limits of the municipality as
30 those limits exist on September 1, 2011.

31 Sec. 9016.112. PROHIBITION ON DIVISION OF DISTRICT. The

1 district may not divide into two or more districts.

2 [Sections 9016.113-9016.150 reserved for expansion]

3 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

4 Sec. 9016.151. ELECTIONS REGARDING TAXES OR BONDS. (a)

5 The district may issue, without an election, bonds and other
6 obligations secured by:

7 (1) revenue other than ad valorem taxes; or

8 (2) contract payments described by Section 9016.153.

9 (b) The district must hold an election in the manner
10 provided by Chapters 49 and 51, Water Code, to obtain voter
11 approval before the district may impose an ad valorem tax or
12 issue bonds payable from ad valorem taxes.

13 (c) The district may not issue bonds payable from ad
14 valorem taxes to finance a road project unless the issuance is
15 approved by a vote of a two-thirds majority of the district
16 voters voting at an election held for that purpose.

17 Sec. 9016.152. OPERATION AND MAINTENANCE TAX. (a) If
18 authorized at an election held under Section 9016.151, the
19 district may impose an operation and maintenance tax on taxable
20 property in the district in accordance with Section 49.107,
21 Water Code.

22 (b) The board shall determine the tax rate. The rate may
23 not exceed the rate approved at the election.

24 Sec. 9016.153. CONTRACT TAXES. (a) In accordance with
25 Section 49.108, Water Code, the district may impose a tax other
26 than an operation and maintenance tax and use the revenue
27 derived from the tax to make payments under a contract after the
28 provisions of the contract have been approved by a majority of
29 the district voters voting at an election held for that purpose.

30 (b) A contract approved by the district voters may contain
31 a provision stating that the contract may be modified or amended

1 by the board without further voter approval.

2 [Sections 9016.154-9016.200 reserved for expansion]

3 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

4 Sec. 9016.201. AUTHORITY TO ISSUE BONDS AND OTHER
5 OBLIGATIONS. The district may issue bonds or other obligations
6 payable wholly or partly from ad valorem taxes, impact fees,
7 revenue, contract payments, grants, or other district money, or
8 any combination of those sources, to pay for any authorized
9 district purpose.

10 Sec. 9016.202. TAXES FOR BONDS. At the time the district
11 issues bonds payable wholly or partly from ad valorem taxes, the
12 board shall provide for the annual imposition of a continuing
13 direct ad valorem tax, without limit as to rate or amount, while
14 all or part of the bonds are outstanding as required and in the
15 manner provided by Section 51.433, Water Code.

16 Sec. 9016.203. LIMITATION ON TAX RATE. Notwithstanding
17 any other provision of this chapter, the projected combined
18 operation, maintenance, and debt service tax rates as of the
19 date of the issuance of any bonds, as described by the
20 commission in a commission order approving the issuance of the
21 bonds, may not exceed 65 cents for each \$100 of assessed
22 valuation of property in the district.

23 Sec. 9016.204. BONDS AND OTHER OBLIGATIONS NOT TO BE PAID
24 BY MUNICIPALITY OR COUNTY. Bonds or other obligations of the
25 district:

26 (1) may not be paid wholly or partly by taxes imposed
27 by the county or the municipality;

28 (2) are not debts of the county or municipality; and

29 (3) do not give rise to a claim against the county or
30 municipality.

31 SECTION _____. The Midland County Utility District

1 initially includes all the territory contained in the following
2 area:

3 54,050 Acres of Land

4 Located in Various Sections and Blocks,

5 T&P RR Co. Survey, Midland County, Texas.

6 Boundary Being More Fully Described By Metes and Bounds As
7 Follows:

8 BEGINNING at (Y= 10,677,038' and X= 1,736,917') a point in the
9 west line of Section 7, Block 39, T2S and a southerly line of
10 Midland city limits and being the most westerly northwest corner
11 of this tract;

12 THENCE S 14°19' E, a distance of 2685 feet to the southwest
13 corner of said Section 7 and being an ell corner of this tract;

14 THENCE N 75°10' E with the south right-of-way line of West
15 County Road 120, a distance of 7031 feet to a point in the north
16 line of Section 17 this block for a point of deflection of this
17 tract;

18 THENCE S 64°46' E, a distance of 4725 feet to a point in the
19 east line of said Section 17 and in the west right-of-way line
20 of South County Road 1210 also being a point of deflection of
21 this tract;

22 THENCE S 14°23' E with the west right-of-way line of said South
23 County Road 1210, a distance of 6340 feet to a point in the
24 north right-of-way line of West County Road 138 and being an ell
25 corner of this tract;

26 THENCE S 75°41' W with the north right-of-way line of said West
27 County Road 138, a distance of 3340 feet to a point in the west
28 right-of-way line of South County Road 1216 and being an ell
29 corner of this tract;

30 THENCE S 14°52' E with the west right-of-way line of said South
31 County Road 1216, a distance of 1272 feet to a point in the

1 north right-of-way line of West County Road 140 and being an ell
2 corner of this tract;
3 THENCE S 75°29' W with the north right-of-way line of said West
4 County Road 140, a distance of 1974 feet to a point near the
5 northwest corner of Section 29, Block 39, T2S and being an ell
6 corner of this tract;
7 THENCE S 14°16' E, a distance of 26,411 feet to a point near the
8 southwest corner of Section 6, Block 39, T3S and being the most
9 southerly southwest corner of this tract;
10 THENCE N 75°59' E, a distance of 15,901 feet to a point in the
11 east right-of-way line of State Highway 349 and being the most
12 southerly southeast corner of this tract;
13 THENCE N 14°08' W with the east right-of-way line of said State
14 Highway 349, a distance of 18,548 feet to a point near the
15 southwest corner of Condor Aviation Co. Inc. tract and being an
16 ell corner of this tract;
17 THENCE N 75°17' E, a distance of 5227 feet to a point in the
18 east line of Section 35, Block 39, T2S and being an ell corner
19 of this tract;
20 THENCE N 14°23' W, a distance of 1604 feet to a point for an ell
21 corner of this tract;
22 THENCE N 76°20' E, a distance of 5414 feet to a point in the
23 east right-of-way line of Farm to Market Road 715 and being an
24 ell corner of this tract;
25 THENCE N 14°21' W with the east right-of-way line of said Farm
26 to Market Road 715, a distance of 664 feet to a point for an ell
27 corner of this tract;
28 THENCE N 75°23' E, a distance of 2628 feet to a point in the
29 west half of Section 24, Block 38, T2S and being an ell corner
30 of this tract;
31 THENCE S 14°03' E, a distance of 8251 feet to a point for an ell

1 corner of this tract;
2 THENCE N 76°09' E, a distance of 2658 feet to a point in the
3 east right-of-way line of South County Road 1160 and being an
4 ell corner of this tract;
5 N 14°22' W with the east right-of-way line of said South County
6 Road 1160, a distance of 3359 feet to a point in the south
7 right-of-way line of East County Road 160 and being an ell
8 corner of this tract;
9 THENCE N 75°38' E with the south right-of-way line of said East
10 County Road 160, a distance of 10,581 feet to a point near the
11 southeast corner of Section 22, Block 38, T2S and being an ell
12 corner of this tract;
13 THENCE N 14°07' W with the east line of said Section 22, a
14 distance of 5353 feet to a point near the northeast corner of
15 said Section 22 and being an ell corner of this tract;
16 THENCE N 75°40' E, a distance of 1381 feet to a point near the
17 southeast corner of George V. Anderson Jr. tract and the
18 southwest corner of Donna Johnson tract also being an ell corner
19 of this tract;
20 THENCE N 14°03' W with the west line of said Donna Johnson tract
21 and the east line of said George V. Anderson Jr. tract, a
22 distance of 1926 feet to a point near the northwest corner of
23 said Donna Johnson tract and being an ell corner of this tract;
24 THENCE N 75°43' E, a distance of 1355 feet to a point in the
25 east right-of-way line of South County Road 1136 and being an
26 ell corner this tract;
27 THENCE N 13°52' W with the east right-of-way line of said South
28 County Road 1136, a distance of 8663 feet to a point in the
29 southwesterly right-of-way of State Highway 158 and the south
30 right-of-way line of East County Road 130 also being an ell
31 corner of this tract;

1 THENCE N 75°27' E with the south right-of-way line of said East
2 County Road 130, a distance of 3996 feet to a point for an ell
3 corner of this tract;
4 THENCE N 13°57' W, a distance of 5272 feet to a point in the
5 south right-of-way line of East County Road 120 and being an ell
6 corner of this tract;
7 THENCE N 75°41' E with the south right-of-way line of said East
8 County road 120, a distance of 14,750 feet to a point for an ell
9 corner of this tract;
10 THENCE N 14°17' W, a distance of 5276 feet to a point near the
11 northwest corner of Section 51, Block 37, T2S and being an ell
12 corner of this tract;
13 THENCE N 74°54' E, a distance of 10,567 feet to a point in the
14 east right-of-way line of Farm to Market Road 1379 and being the
15 most easterly southeast corner of this tract;
16 THENCE N 13°59' W with the east right-of-way line of said Farm
17 to Market Road 1379, a distance of 3955 feet to a point of
18 deflection of this tract;
19 THENCE N 14°17' W, a distance of 20,565 feet to a point in the
20 southeasterly right-of-way of Interstate Highway 20 and being
21 the most easterly northeast corner of this tract;
22 THENCE S 59°40' W with the southeasterly right-of-way of said
23 Interstate Highway 20, a distance of 22,345 feet to a point in
24 the projection of North County Road 1120 and being a point of
25 deflection of this tract;
26 THENCE N 14°09' W, a distance of 8118 feet to a point near the
27 northeast Section 26, Block 38, T1S and being an ell corner of
28 this tract;
29 THENCE S 75°33' W with the north line of said Section 26, a
30 distance of 2741 feet to a point for an ell corner of this
31 tract;

1 THENCE N 13°46' W, a distance of 3300 feet to a point for an ell
2 corner of this tract;

3 THENCE S 75°45' W, a distance of 2696 feet to a point in the
4 west line of Section 23 and the east line of Section 22, Block
5 38, T1S and being an ell corner of this tract;

6 THENCE S 14°37' E with the west line of said Section 23 and the
7 east line of said Section 22, a distance of 668 feet to a point
8 for an ell corner of this tract;

9 THENCE S 75°34' W, a distance of 7949 feet to a point near the
10 middle of Section 21, Block 38, T1S and being an ell corner of
11 this tract;

12 THENCE N 14°18' W, a distance of 2716 feet to a point in the
13 north line of said Section 21 and being an ell corner of this
14 tract;

15 THENCE S 75°23' W, a distance of 4294 feet to a point in the
16 north line of Section 20, Block 38, T1S and being a point of
17 deflection of this tract;

18 THENCE S 66°10' W, a distance of 3034 feet to a point in an
19 easterly line of the Midland city limits and being the most
20 northerly northwest corner of this tract;

21 THENCE S 14°33' E with said city limits, a distance of 5372 feet
22 to an ell corner of said city limits and being an ell corner of
23 this tract;

24 THENCE S 75°36' W with said city limits, a distance of 2511 feet
25 to an ell corner of said city limits and being an ell corner of
26 this tract;

27 THENCE S 14°34' E with said city limits, a distance of 180 feet
28 to an ell corner of said city limits and being an ell corner of
29 this tract;

30 THENCE S 75°36' W with said city limits, a distance of 835 feet
31 to an ell corner of said city limits and being an ell corner of

1 this tract;

2 THENCE S 14°34' E with said city limits, a distance of 3832 feet
3 to an ell corner of said city limits and being an ell corner of
4 this tract;

5 THENCE N 75°36' E with said city limits, a distance of 2208 feet
6 to an ell corner of said city limits and being an ell corner of
7 this tract;

8 THENCE N 14°34' W with said city limits, a distance of 1204 feet
9 to an ell corner of said city limits and being an ell corner of
10 this tract;

11 THENCE N 75°36' E with said city limits, a distance of 1138 feet
12 to an ell corner of said city limits and being an ell corner of
13 this tract;

14 THENCE S 15°14' E with said city limits, a distance of 645 feet
15 to an ell corner of said city limits and being an ell corner of
16 this tract;

17 THENCE N 75°36' E with said city limits, a distance of 4603 feet
18 to an ell corner of said city limits and being an ell corner of
19 this tract;

20 THENCE S 14°35' E with said city limits, a distance of 5122 feet
21 to an ell corner of said city limits and being an ell corner of
22 this tract;

23 THENCE N 75°37' E with said city limits, a distance of 659 feet
24 to an ell corner of said city limits and being an ell corner of
25 this tract;

26 THENCE S 14°36' E with said city limits, a distance of 2879 feet
27 to a point in the northwesterly right-of-way line of Business
28 Interstate Highway 20 (US Highway 80) and the most easterly
29 southeast corner of said city limits also being a point of
30 deflection of this tract;

31 THENCE N 59°41' E with the northwesterly right-of-way line of

1 said Business Interstate Highway 20, a distance of 4829 feet to
2 a point near the northwest corner of Section 40, Block 38, T1S
3 and being a point of deflection of this tract;
4 THENCE S 14°24' E, a distance of 7260 feet to a point in the
5 east line of Section 45, Block 38, T1S and being 1000 feet
6 southerly of the southeasterly right-of-way line of Interstate
7 Highway 20 and being a point of deflection of this tract;
8 THENCE S 45°05' W 1000 feet southerly and parallel to the
9 southeasterly right-of-way line of said Interstate Highway 20, a
10 distance of 6527 feet to a point in the north line of Section 5,
11 Block 38, T2S and in the south right-of-way line of Farm to
12 Market Road 307 also being a point of deflection of this tract;
13 THENCE N 76°37' E with the south right-of-way line of said Farm
14 to Market Road 307, a distance of 2882 feet to a point near the
15 northeast corner of a 320 acre City of Midland tract in Section
16 4, Block 38, T2S and being an ell corner of this tract;
17 THENCE S14°25' E with the east line of said 320 acre tract, a
18 distance of 5252 feet to a point in the south line of said
19 Section 4 and the north line of Section 9, Block 38, T2S and
20 being an ell corner of this tract;
21 THENCE N 75°36' E with the north line of said Section 9, a
22 distance of 2768 feet to a point near the northeast corner of
23 said Section 9 and in the west right-of-way South County Road
24 1140 also being an ell corner of this tract;
25 THENCE S 14°36' E with the west right-of-way line of said South
26 County Road 1140, a distance of 5313 feet to a point in the
27 north right-of-way line of East County Road 120 and being an ell
28 corner of this tract;
29 THENCE S 75°56' W with the north right-of-way line of said East
30 County Road 120, a distance of 5150 to a point in the
31 northeasterly right-of-way line of State Highway 158 and being a

1 point of deflection of this tract;

2 THENCE N 70°55' W with the northeasterly right-of-way line of
3 said State Highway 158, a distance of 4453 to a point near the
4 most southerly southwest corner of a 365.58 acre City of Midland
5 tract as described in Volume 2308, Page 3, Official Public
6 Records of Midland County and the southeast corner of Ralph H
7 White tract also being a point of deflection of this tract;

8 THENCE N 15°31' W with the east line of said Ralph H White tract
9 and a west line of said City of Midland Tract, a distance of 732
10 feet to a point near the northeast corner of said Ralph H White
11 tract and being a point of deflection of this tract;

12 THENCE N 70°36' W with the north line of said Ralph H White
13 tract, a distance of 171 feet to a point near the northwest
14 corner of said Ralph H White tract and in the east line of a
15 1.00 acre City of Midland tract as described in Volume 2308,
16 Page 3, Official Public Records of Midland County and being a
17 point of deflection of this tract;

18 THENCE S 15°31' E with the west line of said Ralph H White tract
19 and the east line of said 1.00 acre City of Midland tract, a
20 distance of 733 feet to a point in the northeasterly right of-
21 way line of said State Highway 158 and being a point of
22 deflection of this tract;

23 THENCE N 70°55' W with the south line of said 1.00 acre City of
24 Midland tract and the northeasterly right-of-way line of said
25 State Highway 158, a distance of 415 feet to the southwest
26 corner of said 1.00 acre City of Midland tract and being a point
27 of deflection of this tract;

28 THENCE N 15°31' W with the west line of said 1.00 acre City of
29 Midland tract, a distance of 1252 feet to the northwest corner
30 of said 1.00 acre City of Midland and being a point of
31 deflection of said 365.58 acre City of Midland tract also being

1 a point of deflection of this tract;
2 THENCE S 75°57' W with a south line of said 365.58 acre City of
3 Midland tract, a distance of 1419 feet to a point in the west
4 line of Section 8, Block 38, T2S and being an ell corner of this
5 tract;
6 THENCE N 14'10' W with the west line of said Section 8, a
7 distance of 1274 feet to a point near the northwest corner of
8 said Section 8 and being an ell corner of this tract;
9 THENCE N 75°49' E with the north line of said Section 8, a
10 distance of 36 feet to a point near the southeast corner of
11 Section 6, Block 38, T2S and being an ell corner of this tract;
12 THENCE N 14'12' W with the east line of said Section 6, a
13 distance of 2124 feet to a point 1000 feet southerly of the
14 southeasterly right-of-way line of said Interstate Highway 20
15 and being a point of deflection of this tract;
16 THENCE S 44°40' W southerly and parallel to the southeasterly
17 right-of-way line of said Interstate Highway 20, a distance of
18 3968 feet to a point in the Midland city limits and being a
19 point of deflection of this tract;
20 THENCE S 14°09' E with said city limits, a distance of 611 feet
21 to the most southerly southeast corner of said city limits and
22 being an ell corner of this tract;
23 THENCE S 75°32' W with the south line of said city limits, a
24 distance of 10,595 feet to an ell corner of said city limits and
25 being an ell corner of this tract;
26 THENCE S 14°23' E with the said city limits, a distance of 750
27 feet to an ell corner of said city limits and being an ell
28 corner of this tract;
29 THENCE S 75°29' W with said city limits, a distance of 677 feet
30 to an ell corner of said city limits and being an ell corner of
31 this tract;

1 THENCE S 14°32' E with said city limits, a distance of 781 feet
2 to an ell corner of said city limits and being an ell corner of
3 this tract;

4 THENCE S 75°24' W with said city limits, a distance of 1675 feet
5 to an ell corner of said city limits and being an ell corner of
6 this tract;

7 THENCE N 14°23' W with said city limits, a distance of 1041 feet
8 to an ell corner of said city limits and being an ell corner of
9 this tract;

10 THENCE S 75°29' W with said city limits, a distance of 1000 feet
11 to an ell corner of said city limits and being an ell corner of
12 this tract;

13 THENCE N 14°23' W said city limits, a distance of 500 feet to an
14 ell corner of said city limits and being an ell corner of this
15 tract;

16 THENCE S 75°37' W with said city limits, a distance of 3137 feet
17 to an ell corner of said city limits and being an ell corner of
18 this tract;

19 THENCE S 14°18' E with said city limits, a distance of 570 feet
20 to an ell corner of said city limits and being an ell corner of
21 this tract;

22 THENCE S 75°42' W with said city limits, a distance of 1660 feet
23 to an ell corner of said city limits and being an ell corner of
24 this tract;

25 THENCE N 14°18' W with said city limits, a distance of 567 feet
26 to an ell corner of said city limits and being an ell corner of
27 this tract;

28 THENCE S 75°37' W with said city limits, a distance of 3390 feet
29 to an ell corner of said city limits and being an ell corner of
30 this tract;

31 THENCE S 15°02' E with said city limits, a distance of 709 feet

1 to an ell corner of said city limits and being an ell corner of
2 this tract;
3 THENCE S 74°54' W with said city limits, a distance of 1040 feet
4 to an ell corner of said city limits and being an ell corner of
5 this tract;
6 THENCE S 15°03' E with said city limits, a distance of 90 feet
7 to an ell corner of said city limits and being an ell corner of
8 this tract;
9 THENCE S 75°34' W with said city limits, a distance of 1064 feet
10 to an ell corner of said city limits and being an ell corner of
11 this tract;
12 THENCE N 14°40' W with said city limits, a distance of 817 feet
13 to an ell corner of said city limits and being an ell corner of
14 this tract;
15 THENCE S 75°44' W with said city limits, a distance of 559 feet
16 to a point of curvature of said city limits and this tract;
17 THENCE around a curve to the left in a southwesterly direction
18 and with said city limits, said curve having a radius length of
19 10,509 feet, a delta angle of 16°04', an arc length of 2947 feet
20 and a chord length of 2937 feet bearing S 67°42" W to a point of
21 tangency of said city limits and this tract;
22 THENCE S 59°40' W with said city limits, a distance of 6362 feet
23 to the Point of Beginning, containing approximately 54,050 acres
24 of land, more or less.
25 Bearings, distances and coordinates are relative to the Texas
26 Coordinate System, 1983 NAD, Central Zone based on City of
27 Midland's G.I.S Digital Map.

28 SECTION _____. (a) The legal notice of the intention to
29 introduce this Act, setting forth the general substance of this
30 Act, has been published as provided by law, and the notice and a
31 copy of this Act have been furnished to all persons, agencies,

1 officials, or entities to which they are required to be
2 furnished under Section 59, Article XVI, Texas Constitution, and
3 Chapter 313, Government Code.

4 (b) The governor, one of the required recipients, has
5 submitted the notice and Act to the Texas Commission on
6 Environmental Quality.

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

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

15 SECTION _____. (a) Section 9016.111, Special District
16 Local Laws Code, as added by Section 1 of this Act, takes effect
17 only if this Act receives a two-thirds vote of all the members
18 elected to each house.

19 (b) If this Act does not receive a two-thirds vote of all
20 the members elected to each house, Subchapter C, Chapter 9016,
21 Special District Local Laws Code, as added by Section 1 of this
22 Act, is amended by adding Section 9016.111 to read as follows:

23 Sec. 9016.111. NO EMINENT DOMAIN POWER. The district may
24 not exercise the power of eminent domain.

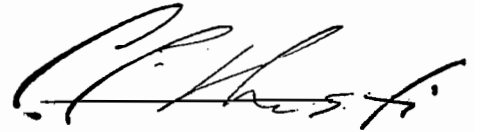
25 (c) This section is not intended to be an expression of a
26 legislative interpretation of the requirements of Section 17(c),
27 Article I, Texas Constitution.

ADOPTED

FLOOR AMENDMENT NO. 14

MAY 21 2011

BY:



1 Amend Amendment No. 13 *Atty. Gen.* by *Seligler* to C.S.H.B. No. 725 as
2 follows:

3 (1) At the end of added Subdivision (1), Section 9016.1111,
4 Special District Local Laws Code (on page 6 of the amendment,
5 line 28), strike "or".

6 (2) At the end of added Subdivision (2), Section 9016.1111,
7 Special District Local Laws Code (on page 6 of the amendment,
8 line 30), between "2011" and the period, insert the following:

9 ; or

10 (3) outside the county

ADOPTED

FLOOR AMENDMENT NO. 15

MAY 21 2011

BY:

Atty Gen
Secretary of the Senate

J. J. King

1 Amend C.S.H.B. 725 (senate committee printing) by adding the
2 following appropriately numbered SECTION to the bill and
3 renumbering the remaining SECTIONS of the bill accordingly:

4 SECTION _____. Chapter 49, Water Code, is amended by adding
5 Subchapter K-1 to read as follows:

6 SUBCHAPTER K-1. DISSOLUTION OF CERTAIN DISTRICTS

7 Sec. 49.335. DEFINITIONS. In this subchapter:

8 (1) "City" means a municipality described by Section
9 49.336.

10 (2) "City council" means the governing body of a city.

11 (3) "District" means a district named in an ordinance
12 adopted under Section 49.339.

13 (4) "District board" means the district's board of
14 directors.

15 Sec. 49.336. APPLICABILITY. This subchapter applies only
16 to:

17 (1) the district; and

18 (2) a municipality:

19 (A) with a population greater than 100,000;

20 (B) located in a county that is within 25,000
21 feet of the Rio Grande;

22 (C) that is not a county seat; and

23 (D) that contains within its corporate
24 boundaries or extraterritorial jurisdiction more than half of the
25 district's territory.

26 Sec. 49.337. DISSOLUTION OF DISTRICT; FINDINGS
27 PREREQUISITE TO MOTION TO TRANSFER. (a) The district is dissolved
28 on the later of:

29 (1) September 1, 2011; or

1 (2) the date a transfer ordinance adopted under
2 Section 49.339 takes effect under Section 49.342.

3 (b) At a regularly scheduled meeting of the city council, a
4 city may propose an ordinance to allow the city to accept a transfer
5 of the obligations, liabilities, and assets of the district if the
6 city council finds that as of the date of the meeting:

7 (1) at least 80 percent of the raw water diverted by
8 the district in the preceding 12 months was diverted for use by the
9 city;

10 (2) the city is capable of assuming all rights and
11 obligations of the district;

12 (3) the city is capable of assuming responsibility for
13 operating the district's facilities to benefit the district's
14 existing customers and performing the services and functions
15 performed by the district;

16 (4) dissolution of the district will result in an
17 overall cost savings to city residents; and

18 (5) dissolution of the district will result in a more
19 stable water supply for residents of the city and surrounding
20 communities.

21 Sec. 49.338. HEARING REQUIRED. (a) Before a city may
22 propose an ordinance described by Section 49.339, the city must
23 conduct a public hearing on the issue.

24 (b) Notice of the public hearing must be:

25 (1) posted in accordance with the laws that apply to
26 regular meetings of the city council; and

27 (2) mailed to each district board member.

28 Sec. 49.339. TRANSFER ORDINANCE. (a) After a city council
29 has made the findings required by Section 49.337(b) and has
30 conducted a public hearing as required by Section 49.338, the city
31 council may adopt an ordinance allowing the city to accept a

1 transfer of the district's obligations, liabilities, and assets.

2 (b) The ordinance must contain provisions that:

3 (1) eliminate the required payment of any flat tax or
4 assessments paid to the district by landowners in the district;

5 (2) ensure that all water rights are held in trust by
6 the city for the uses previously adjudicated;

7 (3) ensure that all individual water users are
8 entitled to continue to use or have access to the same amount of
9 water they were entitled to before the dissolution of the district;

10 (4) require the city to perform all the functions of
11 the district, including the provision of services; and

12 (5) ensure delivery of water to landowners at or below
13 the lowest comparable delivery charge imposed by any other
14 irrigation district wholly located in the county in which the city
15 is located.

16 (c) The ordinance takes effect only if two-thirds of the
17 city council votes in favor of the ordinance.

18 Sec. 49.340. CITY CONSENT; DISTRICT DUTIES. (a) On or
19 before the effective date of the ordinance described by Section
20 49.339, the district board shall provide the district's management
21 and operational records to the city that passed the ordinance to
22 ensure the orderly transfer of management and operational
23 responsibility to the city.

24 (b) Without the consent of a majority of the members of a
25 city council that publishes notice under Section 49.338(b), the
26 district may not:

27 (1) sell, transfer, or encumber any district asset;

28 (2) issue debt or acquire additional obligations; or

29 (3) default on or fail to honor financial, legal, or
30 other obligations of the district.

31 (c) Unless a majority of the members of a city council that

1 publishes notice under Section 49.338(b) agree otherwise, the
2 district shall:

3 (1) maintain assets of the district in an appropriate
4 condition reflective of good stewardship and proper repair; and

5 (2) preserve district records, including information
6 maintained by the district in electronic format.

7 (d) Any action undertaken by the district that does not
8 comply with Subsection (b) is void.

9 (e) This section expires on the date a city that has
10 published notice under Section 49.338(b) repeals the city's
11 ordinance described by Section 49.339.

12 Sec. 49.341. PETITION BY VOTERS; SUSPENSION OR REPEAL OF
13 ORDINANCE; ELECTION. (a) The voters of the district and of a city
14 that enacts a transfer ordinance under this subchapter may object
15 to the ordinance by filing a petition with the secretary of the
16 city.

17 (b) The petition must be signed by at least five percent of
18 the combined total of registered voters who reside in the city or
19 any part of the district outside the city.

20 (c) The petition must be filed not later than the 30th day
21 after the date the city council votes in favor of the transfer
22 ordinance under Section 49.339(c).

23 (d) The city secretary shall verify the signatures on the
24 petition and shall present the verified petition to the city
25 council at the council's next scheduled meeting.

26 (e) On receipt of the petition, the city council shall
27 suspend the effectiveness of the ordinance, and the city may not
28 take action under the ordinance unless the ordinance is approved by
29 the voters under Subsection (f).

30 (f) The city council shall reconsider the suspended
31 ordinance at the next scheduled meeting of the council. If the city

1 council does not repeal the transfer ordinance, the city council
2 shall submit a proposition for or against enactment of the
3 ordinance to the voters of the city and the district at an election
4 held jointly by the city and the district on the next uniform
5 election date. The transfer ordinance takes effect if a majority of
6 the voters voting in that election vote in favor of the transfer.

7 Sec. 49.342. EFFECTIVE DATE OF TRANSFER. A transfer
8 ordinance under this subchapter takes effect on the date:

9 (1) the period for filing a voter petition expires
10 under Section 49.341(c), if a voter petition is not filed under that
11 section; or

12 (2) the voters approve the transfer ordinance under
13 Section 49.341(f).

14 Sec. 49.343. TRANSFER OF ASSETS. (a) On or before the
15 effective date of a transfer ordinance under Section 49.342, the
16 district shall:

17 (1) transfer to the city the ownership of any water
18 rights and certificates of adjudication;

19 (2) transfer the assets, debts, and contractual rights
20 and obligations of the district to the city; and

21 (3) provide notice and make recordings of the
22 transfers under this section as required by the Water Code and other
23 law.

24 (b) On receipt of notice of the transfer of a district
25 certificate of adjudication, the Texas Commission on Environmental
26 Quality shall note in its records that the certificate of
27 adjudication is owned and held by the city. The Texas Commission on
28 Environmental Quality shall transfer the district's certificate to
29 the city as a ministerial act without further application, notice,
30 or hearing. A person or other legal entity does not have a right to
31 object to or to request an administrative review of a transfer made

1 in accordance with this subchapter.

2 (c) The transfer of the district's water rights and any
3 certificate of adjudication to the city does not affect or impair
4 the priority, extent, validity, or purpose of the water rights or
5 certificate.

6 Sec. 49.344. EXPIRATION. This subchapter expires January
7 1, 2016.

FLOOR AMENDMENT NO.

16

ADOPTED

BY:

Thule Dutton

MAY 21 2011

1 Amend CSH B. No. 725 by Anthony Jones following appropriately
2 numbered SECTION to the bill and renumbering subsequent SECTIONS
3 accordingly:

Secretary of the Senate

4 SECTION ____ Subchapter D, Chapter 54, Water Code, is
5 amended by adding Section 54.204 to read as follows:

6 Sec. 54.204. PUBLIC MEETINGS BEFORE CERTAIN WATER RATE
7 INCREASES. (a) A wholesale supplier of water to a district
8 that proposes to increase the rate the district pays for water
9 must conduct at least two public meetings on the proposed rate
10 increase in the district.

11 (b) The district may pass the increase along to the
12 district's customers only after the public meetings have been
13 held under Subsection (a).

14 (c) This section applies only to a proposed rate that is
15 at least 200 percent higher than the rate the wholesale supplier
16 charged the district at any time in the preceding 36-month
17 period.

ADOPTED

FLOOR AMENDMENT NO. 17

MAY 21 2011

BY: 
Secretary of the Senate



1 Amend the senate committee printing of House Bill 725 by
2 adding the following SECTIONS and renumbering the subsequent
3 SECTIONS accordingly:

4 SECTION ____ . Section 36.118, Water Code, is amended by
5 adding Subsections (e-1) and (e-2) to read as follows:

6 (e-1) Except as provided by Subsection (e-2), in addition
7 to other remedies provided by law, the district is entitled to
8 recover the district's attorney's fees, court costs, and
9 reasonable expenses incurred in closing or capping the well from
10 the owner of the land on which the well is located.

11 (e-2) An entity that drills a well to develop subsurface
12 resources not owned by the landowner is liable for expenses
13 incurred in closing or capping the well, unless the landowner
14 assumes responsibility for the well.

15 SECTION ____ . This Act takes effect September 1, 2011.
16

ADOPTED

MAY 21 2011

FLOOR AMENDMENT NO. 19

Atty. Gen. Spaw
Secretary of the Senate

BY:

Wentworth

1 Amend C.S.H.B. No. 725 (senate committee printing) as
2 follows:

3 (1) Before SECTION 1 of the bill, between the enacting
4 clause and "SECTION 1." (page 1, between lines 12 and 13),
5 insert the following:

6 ARTICLE 1. GENERAL PROVISIONS

7 (2) Renumber the SECTIONS of ARTICLE 1 (page 1, line 13,
8 through page 14, line 1) appropriately.

9 (3) In SECTION 39 of the bill (page 13, line 63), strike
10 "Act" and substitute "article".

11 (4) In SECTION 40 of the bill (page 13, line 65), strike
12 "this Act" and substitute "this article".

13 (5) In SECTION 40 of the bill (page 13, line 67), strike
14 "this Act, take" and substitute "this article, take".

15 (6) After SECTION 40 of the bill (page 14, line 2), add
16 the following appropriately numbered ARTICLES and SECTIONS:

17 ARTICLE ____ . HAYS COUNTY DEVELOPMENT DISTRICT NO. 1

18 SECTION ____ .01. Section 1, Chapter 1503, Acts of the 77th
19 Legislature, Regular Session, 2001, is amended by amending
20 Subsections (a) and (c) and adding Subsection (d) to read as
21 follows:

22 (a) The legislature finds that the creation of Hays County
23 Development District No. 1 (the "district"), ~~and~~ the project
24 approved by the Hays County Commissioners Court on January 11,
25 2000 (the "project"), and other improvement projects described
26 by Section 5A will serve the public purpose of attracting
27 visitors and tourists to Hays County and will result in
28 employment and economic activity in the manner contemplated by
29 Section 52-a, Article III, Texas Constitution, and Chapter 383,

1 Local Government Code.

2 (c) The legislature further finds that the creation and
3 operation of the district and the acquisition or financing of
4 the project or an improvement project described by Section 5A by
5 the district serve the purpose of Section 59, Article XVI, and
6 Section 52, Article III, Texas Constitution, and that all steps
7 necessary to create the district have been taken.

8 (d) The legislature further finds that the creation and
9 continued operation of the district is essential to accomplish
10 the purposes of Sections 52 and 52-a, Article III, and Section
11 59, Article XVI, Texas Constitution, and other public purposes
12 stated in this Act.

13 SECTION __.02. Section 5, Chapter 1503, Acts of the 77th
14 Legislature, Regular Session, 2001, is amended to read as
15 follows:

16 Sec. 5. POWERS. (a) The district has all of the rights,
17 powers, privileges, authority, functions, and duties provided by
18 Chapters 375 and 383, Local Government Code, to county
19 development districts and municipal management districts and by
20 Chapters 49 and 54, Water Code, to municipal utility districts.

21 (b) The district's rights, powers, privileges, authority,
22 functions, and duties include, [including] but are not limited
23 to:

24 (1) the authority to levy, assess, and collect ad
25 valorem taxes for the purposes approved at the elections
26 conducted on November 7, 2000;

27 (2) the authority, after approval by voters at an
28 election conducted within the boundaries of the district, to
29 levy, assess and collect taxes for maintenance and operating
30 purposes in the manner set forth in Sections 49.107(a)-(e),
31 Water Code, and for the repayment of bonds, notes, warrants,

1 lease purchase agreements, certificates of assessment,
2 certificates of participation in lease purchase agreements, and
3 other interest-bearing obligations in the manner set forth in
4 Sections 49.106(a)-(d), Water Code, and for all of the purposes
5 for which the district may expend funds;

6 (3) to establish, levy, and collect special
7 assessments in the manner specified in Sections 375.111-375.124,
8 Local Government Code; provided, however, that Sections 375.161-
9 375.163, Local Government Code, shall not apply to the
10 assessments imposed by the district;

11 (4) to utilize funds, whether the funds are derived
12 from ad valorem taxes, sales and use taxes, hotel occupancy
13 taxes, assessments, revenues from the project, or any other
14 source, for payment of projects or services in the manner
15 authorized by Section 375.181, Local Government Code, Chapter
16 54, Water Code, and Chapter 383, Local Government Code;

17 (5) to enter into obligations, including, but not
18 limited to, lease purchase agreements, certificates of
19 participation in lease purchase agreements, general obligation
20 bonds and notes and revenue bonds and notes, and combination
21 general obligation and revenue bonds and notes and other
22 interest-bearing obligations, in the manner specified in
23 Sections 375.201-375.205 [~~375.201-375.204~~], Local Government
24 Code. To enter into these obligations, the district shall
25 obtain only those approvals required for the issuance of
26 obligations by Hays County by Chapter 53, Acts of the 70th
27 Legislature, Second Called Session, 1987, and the approval of
28 the attorney general;

29 (6) except as provided by Sections 5B and 5C, to
30 adopt the powers of a road district under Section 52(b)(3),
31 Article III, Texas Constitution, in the manner specified in

1 Sections 53.029(c) and (d), Water Code;

2 (7) to levy, assess, and collect ad valorem taxes to
3 make payments on a contract under Sections 49.108(a)-(d), Water
4 Code, after obtaining those approvals specified in Section 1,
5 Chapter 778, Acts of the 74th Legislature, Regular Session,
6 1995;

7 (8) to exercise all of the rights, powers, and
8 authority of a road district, a municipal management district,
9 and a municipal utility district [~~water control and improvement~~
10 ~~district which are not specifically contradicted by Chapter 383,~~
11 ~~Local Government Code~~]; and

12 (9) to exercise all of the rights, powers, and
13 authority granted to the district by this Act, and all of the
14 rights, powers, and authority granted to the district by
15 Chapters 383 and 375, Local Government Code, and to a municipal
16 utility district by Chapters 49 and 54, Water Code, which are
17 not contrary to [~~any provisions of~~] this Act, to finance,
18 construct, or otherwise acquire an improvement project described
19 by Section 5A or the project or any element of the project
20 identified in the Commissioners Court Order Upon Hearing and
21 Granting Petition Requesting the Creation of Hays County
22 Development District No. 1 and Appointing Temporary Directors
23 dated January 11, 2000, including, but not limited to, a [~~the~~]
24 hotel, a residential area of a development, a trail or related
25 feature, a commercial activity or endeavor, a [~~the~~] golf course,
26 [~~the~~] water, sewer, drainage, and road improvements, [~~the~~]
27 organizational costs, and [~~the~~] costs of issuance of the
28 obligations of the district.

29 SECTION __.03. Chapter 1503, Acts of the 77th
30 Legislature, Regular Session, 2001, is amended by adding
31 Sections 5A, 5B, 5C, 5D, and 5E to read as follows:

1 Sec. 5A. IMPROVEMENT PROJECTS. The district may provide,
2 or it may contract with a governmental or private entity to
3 provide, the following types of improvement projects or
4 activities in support of or incidental to those projects:

5 (1) the project approved by the Hays County
6 Commissioners Court on January 11, 2000, wholly or partly; or

7 (2) a public improvement, facility, or service
8 provided by a municipal utility district or municipal management
9 district.

10 Sec. 5B. ROAD DISTRICT POWERS; BALLOT. If the district
11 adopts the powers described by Section 5(b)(6), a ballot
12 authorized by Section 53.029(c), Water Code, must reference the
13 "Hays County Development District No. 1."

14 Sec. 5C. ROAD STANDARDS AND REQUIREMENTS. (a) A road
15 project must meet all applicable construction standards, zoning
16 and subdivision requirements, and regulations of each
17 municipality in whose corporate limits or extraterritorial
18 jurisdiction the road project is located.

19 (b) If a road project is not located in the corporate
20 limits or extraterritorial jurisdiction of a municipality, the
21 road project must meet all applicable construction standards,
22 subdivision requirements, and regulations of each county in
23 which the road project is located.

24 (c) If the state will maintain and operate the road, the
25 Texas Transportation Commission must approve the plans and
26 specifications of the road project.

27 Sec. 5D. LIMIT ON POWERS GRANTED BY OTHER SPECIAL DISTRICT
28 LAWS. Except as provided by this Act, the rights, powers, and
29 authority of a road district, county development district,
30 municipal management district, or municipal utility district
31 granted by this Act may be exercised only in the manner provided

1 by:

2 (1) Chapter 375, Local Government Code, to a
3 municipal management district;

4 (2) Chapter 383, Local Government Code, to a county
5 development district; and,

6 (3) Chapters 49 and 54, Water Code, to a municipal
7 utility district, including review and approval by the Texas
8 Commission on Environmental Quality for water and wastewater
9 improvements.

10 Sec. 5E. LIMIT ON EMINENT DOMAIN POWER. The district may
11 not exercise the power of eminent domain outside the district
12 and in the corporate limits or extraterritorial jurisdiction of
13 a municipality unless the governing body of the municipality
14 consents by ordinance or resolution.

15 SECTION __.04. Section 8, Chapter 1503, Acts of the 77th
16 Legislature, Regular Session, 2001, is amended to read as
17 follows:

18 Sec. 8. LEGISLATIVE FINDINGS. [~~The legislature finds that~~
19 ~~the principal function of the district is to provide for~~
20 ~~development and operation of the project, to facilitate economic~~
21 ~~development, and to attract visitors and tourists, which will~~
22 ~~result in employment and economic activity in Hays County.] The
23 legislature finds that the district may provide water and sewer,
24 landscaping, road, drainage, and reclamation services to
25 residential retail or commercial customers in the district.
26 Except for purposes of Section 49.052, Water Code, the [The]
27 district is a district described in Section 49.181(h)(4), Water
28 Code.~~

29 SECTION __.05. Section 9, Chapter 1503, Acts of the 77th
30 Legislature, Regular Session, 2001, is amended to read as
31 follows:

1 Sec. 9. ADDITION AND EXCLUSION OF LANDS. (a) Except as
2 provided by Subsection (b), in [In] addition to the authority
3 granted to the district by Section 383.084, Local Government
4 Code, the district may add lands in the manner provided by
5 Section 49.301, Water Code, and may exclude lands in the methods
6 provided by Sections 49.303 through 49.308, Water Code.

7 (b) Section 42.0425, Local Government Code, applies to the
8 annexation of property in the extraterritorial jurisdiction of a
9 municipality.

10 SECTION ____.06. The legislature confirms and validates all
11 actions of the Hays County Development District No. 1 that were
12 taken before May 1, 2011, including any elections conducted by
13 the district, including any election to impose maintenance and
14 operation taxes or to adopt the powers of a road district.

15 SECTION ____.07. (a) The legal notice of the intention to
16 introduce this article, setting forth the general substance of
17 this article, has been published as provided by law, and the
18 notice and a copy of this article have been furnished to all
19 persons, agencies, officials, or entities to which they are
20 required to be furnished under Section 59, Article XVI, Texas
21 Constitution, and Chapter 313, Government Code.

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

26 (c) All requirements of the constitution and laws of this
27 state and the rules and procedures of the legislature with
28 respect to the notice, introduction, and passage of this article
29 are fulfilled and accomplished.

30 SECTION ____.08. This article takes effect immediately if
31 this Act receives a vote of two-thirds of all the members

1 elected to each house, as provided by Section 39, Article III,
2 Texas Constitution. If this Act does not receive the vote
3 necessary for immediate effect, this article takes effect
4 September 1, 2011.

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 23, 2011

TO: Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: HB725 by Callegari (Relating to the operation, powers, and duties of certain water districts.),
As Passed 2nd House

No significant fiscal implication to the State is anticipated.

The bill would amend the Health and Safety Code to exempt certain water districts from electricity consumption for the operation and maintenance of facilities or improvements for certain services provided an evaluation is performed every five years.

The bill would amend the Local Government Code to authorize a municipal management district to impose an impact fee, assessment, tax or other requirement for payment for certain services including recreational services or improvements on single-family detached property. The bill would clarify the definition of a district and a project. A municipality would be authorized to enter into a contract with a water district for recreational facilities, roads and improvements in the aid of roads, and facilities to provide for firefighting services. A municipality would be required to pay for projects from municipal revenues, including sales and use taxes.

The bill would amend sections of the Water Code to provide that a landowner owns the groundwater below the surface of the landowner's land as real property. A landowner would be entitled to drill for and produce the groundwater below the surface of the landowner's real property, subject to Subsection (d), without causing waste or malicious drainage of other properties or subsidence, but would not be entitled to a right to capture a specific amount. The rights and interests of the landowner could also be limited by a groundwater and conservation district's rules under Subsection (d), including that a district allocate to each landowner a proportionate share of available groundwater for production from the aquifer based on the number of acres owned by the landowner. A groundwater conservation district would be required to consider the groundwater ownership and rights; the public interest in conservation, preservation, protection, recharging, and prevention of waste of groundwater and of groundwater reservoirs or their subdivisions, and in controlling subsidence caused by withdrawal of water; and the goals developed by districts as part of their management plans.

The bill would modify certain procedures for a groundwater conservation district's management (GCD) plan. A GCD would be required to implement certain aspects of the management plan to limit well production if deemed necessary, but would not be allowed to limit well production unless a management plan is approved. Not later than the 60th day after the date of the administrative approval of a GCD's management plan, the executive administrator of the Texas Water Development Board (TWDB) would be required to ensure that it is consistent with the desired future conditions that are applicable to all or part of the GCD. The bill would authorize a GCD to use production fees for any purpose consistent with the GCD's approved management plan, but would limit the use of permit fees. The Texas Commission on Environmental Quality (TCEQ) would provide additional oversight authority of a GCD, including the ability to oversee well permitting practices and certain aspects of the management plan of a groundwater conservation district. A district would be entitled to recover the district's attorney's fees, court costs, and reasonable expenses incurred in closing or capping the well from the owner of the land.

The bill would modify sections related to a water district's tax assessor and collector, meeting notices,

and election requirements and processes. A tax assessor or collector employed or contracted by a water district would be required to be a registered Texas assessor-collector. A water district would be exempt from providing an electronic voting system under certain conditions, but would require an accessible voting station if it was requested. The bill would specify fees under certain activities related to storm water detention and retention facilities that would be exempt from restrictions associated with impact fees.

The bill would authorize the board of a water district to include non-construction expenses related to the design, permitting, financing, and construction of facilities. A district that provides potable water or sewer service to household users would be authorized to either separately or jointly with another district, municipality, or other political subdivision, finance a fire department with ad valorem taxes, mandatory fees, or voluntary contributions.

The bill would authorize a district to appeal the rate charged by a utility for potable water service by filing a petition with TCEQ. TCEQ would be required to hear an appeal de novo and the utility would have the burden of proof regarding that the rate is just and reasonable. TCEQ would be required to fix the rates and the utility could not increase the rates without the approval of TCEQ.

A water district would be allowed to develop and maintain recreational facilities on a site acquired for relevant purposes, but would not be required to prorate the costs of the facilities if certain requirements were met. The bill would limit the ability of water districts in certain counties to finance parks and recreational facilities through ad valorem taxes. In order to establish property value in the district, a water district would be authorized to use an estimate of the value provided by the central appraisal district. A water district could dissolve a defined area after bonds issued for the area were fully paid or defeased.

The bill would include conforming and clarifying changes to the Edwards Aquifer Authority's (EAA) enabling legislation and the Water Code. The bill would include procedures for EAA contested case hearings, request for rehearing, and board findings and conclusions. The bill would remove administrative fee caps and would require administrative fees set by EAA. The bill would require the EAA to develop a groundwater management plan. It would require TCEQ and the TWDB to provide technical assistance to the EAA in developing the plan. The EAA would be required to make certain information available to the TCEQ and the TWDB concerning plans and activities in conserving and protecting the aquifer. The TWDB would be required to certify the plan within 60 days after receipt. The bill would authorize the EAA to assess fees to recover administrative costs such as filing and processing applications and registrations.

The bill would require TCEQ to adopt any rules or amendments necessary to implement Section 49.4641 of the Water Code by December 1, 2011.

The bill would repeal Section 1.41(d), Chapter 626, Acts of the 73rd Legislature, Regular Session, 1993; and Sections 36.101(1), 36.1011(e), 36.419, and 49.103(g) of the Water Code.

According to TCEQ and TWDB, implementing the provisions of the bill would not result in a significant fiscal impact. Passage of the bill is not expected to have a significant impact on the workload of any state agencies.

Local Government Impact

There could be a fiscal impact to an applicable entity, but the amounts would vary depending on current procedures and processes.

Several provisions of the bill would establish that groundwater rights are equal to oil and gas rights, but would not ensure that the landowner owns any groundwater rights to the groundwater underneath their property. A GCD may have to verify that a potential well owner is actually the owner and entitled to the groundwater beneath the property prior to approving a well by requesting a property deed from the potential well owner or at the County Clerk's office. The costs involved could be minimal or could have a significant impact on a district's budget depending on the rules established in regard to the provisions required in the bill. It is assumed that a GCD would adopt rules and procedures that would not result in a significant fiscal impact to the district.

Several groundwater conservation districts reported there could be estimated costs of \$15,000 to each district due to additional public notices and hearings, and additional expenses for the groundwater management area. The amounts would result in 16 percent to 60 percent of the total budget for these districts.

Source Agencies:

LBB Staff: JOB, SZ, TP

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 13, 2011

TO: Honorable Troy Fraser, Chair, Senate Committee on Natural Resources

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: HB725 by Callegari (Relating to the operation, powers, and duties of certain water districts.),
Committee Report 2nd House, Substituted

No fiscal implication to the State is anticipated.

The bill would amend the Health and Safety Code to exempt certain water districts from electricity consumption for the operation and maintenance of facilities or improvements for certain services provided an evaluation is performed every five years.

The bill would amend the Local Government Code to allow a municipal management district to impose an impact fee, assessment, tax or other requirement for payment for certain services including recreational services or improvements on single-family detached property. The bill clarifies the definition of a district and a project. A municipality would be authorized to enter into a contract with a water district for recreational facilities, roads and improvements in the aid of roads, and facilities to provide for firefighting services. A municipality would be required to pay for projects from municipal revenues, including sales and use taxes.

The bill would amend sections of the Water Code related to a water district's tax assessor and collector, meeting notices, and election requirements and processes. A tax assessor or collector employed or contracted by a water district would be required to be a registered Texas assessor-collector. A water district would be exempt from providing an electronic voting system under certain conditions, but would require an accessible voting station if it was requested. The bill would specify fees under certain activities related to storm water detention and retention facilities that would be exempt from restrictions associated with impact fees.

The bill would allow the board of a water district to include nonconstruction expenses related to the design, permitting, financing, and construction of facilities. A district that provides potable water or sewer service to household users would be authorized to either separately or jointly with another district, municipality, or other political subdivision, finance a fire department with ad valorem taxes, mandatory fees, or voluntary contributions.

A water district would be allowed to develop and maintain recreational facilities on a site acquired for relevant purposes, but would not be required to prorate the costs of the facilities if certain requirements were met. The bill would limit the ability of water districts in certain counties to finance parks and recreational facilities through ad valorem taxes. In order to establish property value in the district, a water district would be authorized to use an estimate of the value provided by the central appraisal district. A water district could dissolve a defined area after bonds issued for the area were fully paid or defeased.

The bill would require the Texas Commission on Environmental Quality (TCEQ) to adopt any rules or amendments necessary to implement Section 49.4641 of the Water Code by December 1, 2011.

The bill would repeal Section 49.103(g) of the Water Code.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies:

LBB Staff: JOB, SZ, TP

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

April 21, 2011

TO: Honorable Troy Fraser, Chair, Senate Committee on Natural Resources

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: HB725 by Callegari (Relating to the operation, powers, and duties of certain water districts.),
As Engrossed

<p>No fiscal implication to the State is anticipated.</p>
--

The bill would amend the Health and Safety Code to exempt certain water districts from electricity consumption for the operation and maintenance of facilities or improvements for certain services provided an evaluation is performed every five years.

The bill would amend the Local Government Code to allow a municipal management district to impose an impact fee, assessment, tax or other requirement for payment for certain services including recreational services or improvements on single-family detached property. The bill clarifies the definition of a district and a project. A municipality would be authorized to enter into a contract with a water district for recreational facilities, roads and improvements in the aid of roads, and facilities to provide for firefighting services. A municipality would be required to pay for projects from municipal revenues, including sales and use taxes.

The bill would amend sections of the Water Code related to a water district's tax assessor and collector, meeting notices, and election requirements and processes. A tax assessor or collector employed or contracted by a water district would be required to be a registered Texas assessor-collector. A water district would be exempt from providing an electronic voting system under certain conditions, but would require an accessible voting station if it was requested. The bill would specify fees under certain activities related to storm water detention and retention facilities that would be exempt from restrictions associated with impact fees.

The bill would allow the board of a water district to include nonconstruction expenses related to the design, permitting, financing, and construction of facilities. A district that provides potable water or sewer service to household users would be authorized to either separately or jointly with another district, municipality, or other political subdivision, finance a fire department with ad valorem taxes, mandatory fees, or voluntary contributions.

A water district would be allowed to develop and maintain recreational facilities on a site acquired for relevant purposes, but would not be required to prorate the costs of the facilities if certain requirements were met. The bill would limit the ability of water districts in certain counties to finance parks and recreational facilities through ad valorem taxes. In order to establish property value in the district, a water district would be authorized to use an estimate of the value provided by the central appraisal district. A water district could dissolve a defined area after bonds issued for the area were fully paid or defeased.

The bill would require the Texas Commission on Environmental Quality (TCEQ) to adopt any rules or amendments necessary to implement Section 49.4641 of the Water Code by December 1, 2011.

The bill would repeal Section 49.103(g) of the Water Code.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies:

LBB Staff: JOB, SZ, TP

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

March 22, 2011

TO: Honorable Allan Ritter, Chair, House Committee on Natural Resources

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: HB725 by Callegari (Relating to the operation, powers, and duties of certain water districts.),
Committee Report 1st House, Substituted

No fiscal implication to the State is anticipated.

The bill would amend the Health and Safety Code to exempt certain water districts from electricity consumption for the operation and maintenance of facilities or improvements for certain services provided an evaluation is performed every five years.

The bill would amend the Local Government Code to allow a municipal management district to impose an impact fee, assessment, tax or other requirement for payment for certain services including recreational services or improvements on single-family detached property. The bill clarifies the definition of a district and a project. A municipality would be authorized to enter into a contract with a water district for recreational facilities, roads and improvements in the aid of roads, and facilities to provide for firefighting services. A municipality would be required to pay for projects from municipal revenues, including sales and use taxes.

The bill would amend sections of the Water Code related to a water district's tax assessor and collector, meeting notices, and election requirements and processes. A tax assessor or collector employed or contracted by a water district would be required to be a registered Texas assessor-collector. A water district would be exempt from providing an electronic voting system under certain conditions, but would require an accessible voting station if it was requested. The bill would specify fees under certain activities related to storm water detention and retention facilities that would be exempt from restrictions associated with impact fees.

The bill would allow the board of a water district to include nonconstruction expenses related to the design, permitting, financing, and construction of facilities. A district that provides potable water or sewer service to household users would be authorized to either separately or jointly with another district, municipality, or other political subdivision, finance a fire department with ad valorem taxes, mandatory fees, or voluntary contributions.

A water district would be allowed to develop and maintain recreational facilities on a site acquired for relevant purposes, but would not be required to prorate the costs of the facilities if certain requirements were met. The bill would limit the ability of water districts in certain counties to finance parks and recreational facilities through ad valorem taxes. In order to establish property value in the district, a water district would be authorized to use an estimate of the value provided by the central appraisal district. A water district could dissolve a defined area after bonds issued for the area were fully paid or defeased.

The bill would require the Texas Commission on Environmental Quality (TCEQ) to adopt any rules or amendments necessary to implement Section 49.4641 of the Water Code by December 1, 2011.

The bill would repeal Section 49.103(g) of the Water Code.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies:

LBB Staff: JOB, SZ, TP

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

February 28, 2011

TO: Honorable Allan Ritter, Chair, House Committee on Natural Resources

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: HB725 by Callegari (Relating to the operation, powers, and duties of certain water districts.),
As Introduced

No fiscal implication to the State is anticipated.

The bill would amend the Health and Safety Code to give drainage easements operated by a water district a public nuisance exemption. Certain water districts would be allowed an exemption for electricity consumption for the operation and maintenance of facilities or improvements for certain services.

The bill would amend the Local Government Code to allow a municipal management district to impose an impact fee, assessment, tax or other requirement for payment for certain services including recreational services or improvements on single-family detached property. The bill clarifies the definition of a district and a project. A municipality would be authorized to enter into a contract with a water district for recreational facilities, roads and improvements in the aid of roads, and facilities to provide for firefighting services. A municipality would be required to pay for projects from municipal revenues, including sales and use taxes.

The bill would amend sections of the Water Code related to a water district's tax assessor and collector, meeting notices, and election requirements and processes. A tax assessor or collector employed or contracted by a water district would be required to be a registered Texas assessor-collector. A water district would be exempt from providing an electronic voting system under certain conditions, but would require an accessible voting station if it was requested. The bill would specify fees under certain activities related to storm water detention and retention facilities that would be exempt from restrictions associated with impact fees.

The bill would allow the board of a water district to include nonconstruction expenses related to the design, permitting, financing, and construction of facilities. A district that provides potable water or sewer service to household users would be authorized to either separately or jointly with another district, municipality, or other political subdivision, finance a fire department with ad valorem taxes, mandatory fees, or voluntary contributions.

A water district would be allowed to develop and maintain recreational facilities on a site acquired for relevant purposes, but would not be required to prorate the costs of the facilities if certain requirements were met. The bill would limit the ability of water districts in certain counties to finance parks and recreational facilities through ad valorem taxes. In order to establish property value in the district, a water district would be authorized to use an estimate of the value provided by the central appraisal district. A water district could dissolve a defined area after bonds issued for the area were fully paid or defeased.

The bill would require the Texas Commission on Environmental Quality (TCEQ) to adopt any rules or amendments necessary to implement Section 49.4641 of the Water Code by December 1, 2011.

The bill would repeal Section 49.1903(g) of the Water Code.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 407 Commission on Law Enforcement Officer Standards and Education

LBB Staff: JOB, TP

LEGISLATIVE BUDGET BOARD

Austin, Texas

WATER DEVELOPMENT POLICY IMPACT STATEMENT

82ND LEGISLATIVE REGULAR SESSION

March 28, 2011

TO: Honorable Allan Ritter, Chair, House Committee on Natural Resources

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: HB725 by Callegari (Relating to the operation, powers, and duties of certain water districts.), **Committee Report 1st House, Substituted**

The Legislative Budget Board, in cooperation with the Texas Water Development Board (TPWD) and the Texas Commission on Environmental Quality (TCEQ) has determined that:

No Water Development Policy Impact Statement will be prepared for this bill under the provisions of *Texas Constitution*, Article 16, Section 59(d) as this bill does not create a conservation and reclamation district.

Source Agencies: 580 Water Development Board, 582 Commission on Environmental Quality

LBB Staff: JOB, SZ

LEGISLATIVE BUDGET BOARD
Austin, Texas

WATER DEVELOPMENT POLICY IMPACT STATEMENT

82ND LEGISLATIVE REGULAR SESSION

March 24, 2011

TO: Honorable Allan Ritter, Chair, House Committee on Natural Resources

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: HB725 by Callegari (Relating to the operation, powers, and duties of certain water districts.),
As Introduced

The Legislative Budget Board, in cooperation with the Texas Water Development Board (TPWD) and the Texas Commission on Environmental Quality (TCEQ) has determined that:

No Water Development Policy Impact Statement will be prepared for this bill under the provisions of *Texas Constitution*, Article 16, Section 59(d) as this bill does not create a conservation and reclamation district.

Source Agencies: 580 Water Development Board, 582 Commission on Environmental Quality

LBB Staff: JOB, SZ