

SENATE AMENDMENTS

2nd Printing

By: Schwertner

H.B. No. 2360

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the Corn Hill Regional Water Authority;
providing authority to issue bonds.

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

SECTION 1. Subtitle F, Title 6, Special District Local Laws
Code, is amended by adding Chapter 8364 to read as follows:

CHAPTER 8364. CORN HILL REGIONAL WATER AUTHORITY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8364.001. DEFINITIONS. In this chapter:

(1) "Authority" means the Corn Hill Regional Water
Authority.

(2) "Board" means the authority's board of directors.

(3) "Commission" means the Texas Commission on
Environmental Quality.

(4) "Director" means a board member.

(5) "Member entity" means a municipality or other
political subdivision that is a member under Section 8364.071.

Sec. 8364.002. NATURE OF AUTHORITY. The authority is a
conservation and reclamation district created under Section 59,
Article XVI, Texas Constitution.

Sec. 8364.003. CONFIRMATION ELECTION NOT REQUIRED. The
authority is not required to hold an election to confirm the
creation of the authority.

Sec. 8364.004. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a)

1 The authority is created to serve a public purpose and benefit.

2 (b) All land and other property included in the authority
3 will benefit from the improvements and services to be provided by
4 the authority under powers conferred by Section 59, Article XVI,
5 Texas Constitution, and other powers granted under this chapter.

6 (c) The authority is created to accomplish the control,
7 storage, conservation, preservation, distribution, and use of
8 water for domestic, industrial, municipal, and all other useful
9 purposes as provided by Section 59, Article XVI, Texas
10 Constitution.

11 (d) The creation of the authority is in the public interest
12 and is essential to:

13 (1) further the public purposes of developing and
14 diversifying the economy of the state;

15 (2) eliminate unemployment and underemployment;

16 (3) develop or expand commerce; and

17 (4) conserve the natural resources of this state.

18 (e) The authority will:

19 (1) promote the health, safety, and general welfare of
20 residents, employers, potential employees, employees, visitors,
21 and consumers in the authority, and of the public; and

22 (2) provide needed funding for the authority to
23 preserve, maintain, and enhance the economic health and vitality of
24 the authority territory as a community and business center.

25 Sec. 8364.005. AUTHORITY TERRITORY. The authority is
26 composed of the territory in the member entities.

27 Sec. 8364.006. CHANGE IN MEMBERSHIP OR TERRITORY;

1 NOTIFICATION TO COMMISSION. The authority shall notify the
2 commission of any changes in its membership or territory.

3 [Sections 8364.007-8364.050 reserved for expansion]

4 SUBCHAPTER B. BOARD OF DIRECTORS

5 Sec. 8364.051. GOVERNING BODY; TERMS. (a) The authority is
6 governed by a board of appointed directors.

7 (b) Directors serve staggered three-year terms, with terms
8 expiring on September 1.

9 (c) Each member entity shall appoint two directors.

10 (d) A director serves at the pleasure of the governing body
11 of the member entity that appointed the director. A member entity
12 may remove the director and appoint a new director at any time by
13 resolution or ordinance of the governing body of the member entity.

14 [Sections 8364.052-8364.070 reserved for expansion]

15 SUBCHAPTER B-1. AUTHORITY MEMBERSHIP

16 Sec. 8364.071. INITIAL MEMBER ENTITIES. The initial member
17 entities are:

18 (1) Sonterra Municipal Utility District; and

19 (2) CLL Municipal Utility District No. 1.

20 Sec. 8364.072. PETITION TO JOIN AUTHORITY. (a) A
21 municipality or other political subdivision may petition the board
22 to add that municipality or political subdivision as a member
23 entity.

24 (b) Before a new member entity may be added to the
25 authority, the petition must be approved by a joint resolution or
26 ordinance of the governing body of each member entity.

27 Sec. 8364.073. PETITION TO LEAVE AUTHORITY. (a) A member

1 entity may petition the board to leave the authority.

2 (b) If the authority determines that allowing the member
3 entity to leave the authority will not impair any outstanding bonds
4 or other obligations of the authority on the date the board receives
5 the petition, the board may approve the petition.

6 (c) If on the date the board receives the petition the
7 authority has bonds or other obligations outstanding for which the
8 member entity seeking to leave is wholly or partly responsible, the
9 board may approve the petition only if:

10 (1) the member entity agrees to pay its share of the
11 bonds or other obligations; and

12 (2) the authority determines that as a result of that
13 payment the remaining bonds or other obligations of the authority
14 will not be impaired.

15 [Sections 8364.074-8364.100 reserved for expansion]

16 SUBCHAPTER C. POWERS AND DUTIES

17 Sec. 8364.101. SERVICE TO MEMBER ENTITIES. The authority
18 shall serve its member entities.

19 Sec. 8364.102. GENERAL POWERS AND DUTIES. The authority
20 has the powers and duties necessary to accomplish the purposes for
21 which the authority is created.

22 Sec. 8364.103. MUNICIPAL UTILITY DISTRICT POWERS AND
23 DUTIES. The authority has the powers and duties provided by the
24 general law of this state, including Chapters 49 and 54, Water Code,
25 applicable to municipal utility districts created under Section 59,
26 Article XVI, Texas Constitution.

27 [Sections 8364.104-8364.150 reserved for expansion]

1 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

2 Sec. 8364.151. AUTHORITY TO ISSUE BONDS AND OTHER
3 OBLIGATIONS. (a) For any authorized authority purpose, the
4 authority may issue bonds or other obligations payable wholly or
5 partly from revenue of the authority's water system, including
6 revenue from contracts with member entities or customers.

7 (b) To provide revenue under Subsection (a), a member entity
8 may make payments under a contract with the authority from any of
9 the member entity's sources of revenue, including ad valorem taxes,
10 impact fees, grants, sales and use taxes, and any other source.

11 Sec. 8364.152. NO TAXING POWER. The authority may not
12 impose a tax.

13 SECTION 2. (a) Not later than September 15, 2011, the
14 Sonterra Municipal Utility District and the CLL Municipal Utility
15 District No. 1 shall each appoint two directors to the board of
16 directors of the Corn Hill Regional Water Authority under Section
17 8364.051, Special District Local Laws Code, as added by this Act.

18 (b) To establish staggered three-year terms required under
19 Section 8364.051, Special District Local Laws Code, as added by
20 this Act, the initial directors appointed under that section shall,
21 unless otherwise agreed, determine by lot which of the directors
22 shall serve a one-year, two-year, or three-year term.

23 SECTION 3. (a) The legal notice of the intention to
24 introduce this Act, setting forth the general substance of this
25 Act, has been published as provided by law, and the notice and a
26 copy of this Act have been furnished to all persons, agencies,
27 officials, or entities to which they are required to be furnished

1 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
2 Government Code.

3 (b) The governor, one of the required recipients, has
4 submitted the notice and Act to the Texas Commission on
5 Environmental Quality.

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

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

14 SECTION 4. (a) Any eminent domain powers granted under
15 general law to the Corn Hill Regional Water Authority as created by
16 this Act take effect only if this Act receives a two-thirds vote of
17 all the members elected to each house.

18 (b) If this Act does not receive a two-thirds vote of all the
19 members elected to each house, Subchapter C, Chapter 8364, Special
20 District Local Laws Code, as added by Section 1 of this Act, is
21 amended by adding Section 8364.104 to read as follows:

22 Sec. 8364.104. NO EMINENT DOMAIN POWER. The authority may
23 not exercise the power of eminent domain.

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

27 SECTION 5. Except as provided by Section 4 of this Act:

1 (1) this Act takes effect immediately if it receives a
2 vote of two-thirds of all the members elected to each house, as
3 provided by Section 39, Article III, Texas Constitution; and

4 (2) if this Act does not receive the vote necessary for
5 immediate effect, this Act takes effect September 1, 2011.

ADOPTED

MAY 10 2011

FLOOR AMENDMENT NO. 1

Atay Shaw
Secretary of the Senate

BY: 

1 Amend H.B. No. 2360 (senate committee printing) as follows:

2 (1) In SECTION 1 of the bill, in added Section 8364.102,
3 Special District Local Laws Code (page 2, line 40), strike "the
4 powers and duties necessary to accomplish the purposes" and
5 substitute "only the powers and duties necessary to accomplish the
6 purposes stated under Section 8364.004".

7 (2) In SECTION 1 of the bill, strike added Section 8364.103,
8 Special District Local Laws Code (page 2, lines 42-46), and
9 substitute the following:

10 Sec. 8364.103. MUNICIPAL UTILITY DISTRICT POWERS AND
11 DUTIES; LIMITATIONS. (a) Except as provided by Subsections (b) and
12 (c), the authority has the powers and duties provided by the general
13 law of this state, including Chapters 49 and 54, Water Code,
14 applicable to municipal utility districts created under Section 59,
15 Article XVI, Texas Constitution.

16 (b) The authority may not provide wastewater, drainage,
17 solid waste disposal, or road facilities or services.

18 (c) The authority does not have any power that the member
19 entities do not have.

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 10, 2011

TO: Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: HB2360 by Schwertner (Relating to the creation of the Corn Hill Regional Water Authority; providing authority to issue bonds.), **As Passed 2nd House**

No fiscal implication to the State is anticipated.

Local Government Impact

Because the bill would not have statewide impact on units of local government of the same type or class, no comment from this office is required by the rules of the House/Senate as to its probable fiscal implication on units of local government.

Source Agencies:

LBB Staff: JOB, SZ, TP

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

April 27, 2011

TO: Honorable Troy Fraser, Chair, Senate Committee on Natural Resources

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: HB2360 by Schwertner (Relating to the creation of the Corn Hill Regional Water Authority; providing authority to issue bonds.), **As Engrossed**

No fiscal implication to the State is anticipated.

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LBB Staff: JOB, SZ, TP

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

March 26, 2011

TO: Honorable Allan Ritter, Chair, House Committee on Natural Resources

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: HB2360 by Schwertner (Relating to the creation of the Corn Hill Regional Water Authority; providing authority to issue bonds.), **Committee Report 1st House, Substituted**

No fiscal implication to the State is anticipated.

Local Government Impact

Because the bill would not have statewide impact on units of local government of the same type or class, no comment from this office is required by the rules of the House/Senate as to its probable fiscal implication on units of local government.

Source Agencies:

LBB Staff: JOB, SZ, TP

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

March 18, 2011

TO: Honorable Allan Ritter, Chair, House Committee on Natural Resources

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: HB2360 by Schwertner (Relating to the creation of the Corn Hill Regional Water Authority; providing authority to issue bonds.), **As Introduced**

No fiscal implication to the State is anticipated.

Local Government Impact

Because the bill would not have statewide impact on units of local government of the same type or class, no comment from this office is required by the rules of the House/Senate as to its probable fiscal implication on units of local government.

Source Agencies:

LBB Staff: JOB, SZ, TP

LEGISLATIVE BUDGET BOARD
Austin, Texas

WATER DEVELOPMENT POLICY IMPACT STATEMENT

82ND LEGISLATIVE REGULAR SESSION

March 27, 2011

TO: Honorable Allan Ritter, Chair, House Committee on Natural Resources

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: HB2360 by Schwertner (Relating to the creation of the Corn Hill Regional Water Authority; providing authority to issue bonds.), **Committee Report 1st House, Substituted**

The Legislative Budget Board, in cooperation with the Texas Water Development Board (TWDB) and the Texas Commission on Environmental Quality (TCEQ), has determined that:

The bill creates Corn Hill Regional Water Authority (Authority).

1) Population – The proposed regional water authority will be initially comprised of Sonterra Municipal Utility District and the CLL Municipal Utility District, both created in 2005 in the 79th Legislative Session. Descriptions of the proposed boundaries of those two districts were used here as no new proposed boundaries were described in HB 2360. The very specific description of the proposed boundaries is in terminology which does not match Census geography, thus population can be estimated only for an area somewhat larger than the authority will actually cover. Population in this larger area could be as high as 3,237 based on the 2000 Census.

Population growth in that specific area since the 2000 census is unknown. The proposed authority is adjacent to the City of Jarrell in northern Williamson County and will also cover area in southern Bell County. Based on 2011 Regional Water Plan data, the City of Jarrell is projected to grow from 1,433 in 2010 to 1,474 in 2020. Williamson County is projected to grow from 241,136 in 2000 to 408,743 in 2010 and 553,412 in 2020. The authority also extends into Bell County, which is projected to grow from 237,974 in 2000 to 289,672 in 2010 and 327,610 in 2020.

2) Location – The proposed authority's initial boundaries are described in the original House Bills for the creation of the two districts in the 79th Legislative Session (HB 3497 for Sonterra Municipal Utility District and HB 1346 for CLL Municipal Utility District No. 1) with a combination of Original Texas Land Surveys and metes and bounds. Due to the complexity of these boundaries for the various sub-areas of the authority, staff is able to determine only the general location of the proposed authority.

The proposed authority's area is approximately 3 square miles, and will be located in far northern Williamson County and far southern Bell County near the City of Jarrell. The authority does not appear to overlap any CCN held by another entity.

3) Comments on Powers/Duties Different from Similar Types of Districts - The bill gives the Authority the powers and duties conferred to municipal utility districts under the Water Code. The bill specifies that the Authority is not required to hold a confirmation election and that the initial member entities of the Authority are Sonterra Municipal Utility District and CLL Municipal Utility District. The bill requires the Authority to notify the TCEQ of any changes to its membership or territory. Current statutes require directors of districts to meet eligibility requirements; however, the bill specifies that each member entity shall appoint two directors, regardless of eligibility. The bill specifies that a municipality or other political subdivision may petition to the board to be included as a member entity of the Authority, subject to approval by each of the participating member entities. The bill also specifies that a member entity may petition the board to leave the Authority, subject to a determination by the Authority that the removal of the entity will not impair any outstanding bonds or other obligations of the Authority. If the Authority has outstanding bonds or obligations, the petition to leave the Authority may only be approved if the member entity agrees to pay its share of the bonds or other obligations and the Authority determines that as a result of that payment the remaining bonds or other obligations of the authority will not be impaired. The bill allows the Authority to issue bonds that are to be paid by payments made under a contract between the Authority and the member entities. The bill specifies that

the Authority does not have the authority to impose a tax. The bill also specifies that if the bill does not receive two-thirds vote of all members elected to each house, then the District may not exercise the power of eminent domain. Although the bill allows the Authority to issue bonds supported by contract taxes, the Local Government Code and Water Code require that the member entities receive approval from the TCEQ to enter into contracts described in the bill.

4) Overlapping Services - There is insufficient information to determine if the stated boundaries for the Authority form an acceptable closure. Additionally, an area map containing at least two reference points (major road names, road intersections) and the District's geographic location mapped within Williamson County is needed to complete overlapping services check.

The Authority may overlap Donahoe Creek Watershed Authority and the Brazos River Authority.

5) TCEQ Supervision - As with general law districts, the TCEQ will have general supervisory authority, including review of financial reports

6) Water Use – HB 2360 specifies that “The authority is created to accomplish the control, storage, conservation, preservation, distribution, and use of water for domestic, industrial, municipal, and all other useful purposes as provided by Section 59, Article XVI, Texas Constitution.”

Within Williamson County, 30.1 percent of total water use was groundwater (Edwards BFZ, Trinity, and other aquifers) in 2008. Ninety-one percent of the groundwater pumping was for municipal use. Within Bell County, 5.6 percent of the total water use was groundwater (Edwards BFZ, Trinity, and other aquifers) in 2008. Eighty-eight percent of the groundwater pumping was for municipal use. The water source that the authority might pursue is unknown.

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 23, 2011

TO: Honorable Allan Ritter, Chair, House Committee on Natural Resources

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: HB2360 by Schwertner (Relating to the creation of the Corn Hill Regional Water Authority; providing authority to issue bonds.), **As Introduced**

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LBB Staff: JOB, SZ