

House Bill 2360
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

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

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

(c) 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.

(d) The creation of the authority is in the public interest and is

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essential to:

- (1) further the public purposes of developing and diversifying the economy of the state;
- (2) eliminate unemployment and underemployment;
- (3) develop or expand commerce; and
- (4) conserve the natural resources of this state.

(e) The authority will:

- (1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the authority, and of the public; and
- (2) provide needed funding for the authority to preserve, maintain, and enhance the economic health and vitality of the authority territory as a community and business center.

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

Sec. 8364.006. CHANGE IN MEMBERSHIP OR TERRITORY; NOTIFICATION TO COMMISSION. The authority shall notify the commission of any changes in its membership or territory.

[Sections 8364.007-8364.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

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

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

(c) Each member entity shall appoint two directors.

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

[Sections 8364.052-8364.070 reserved for expansion]

SUBCHAPTER B-1. AUTHORITY MEMBERSHIP

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SUBCHAPTER B-1. AUTHORITY MEMBERSHIP

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

- (1) Sonterra Municipal Utility District; and
- (2) CLL Municipal Utility District No. 1.

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

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

Sec. 8364.073. PETITION TO LEAVE AUTHORITY. (a) A member entity may petition the board to leave the authority.

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

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

- (1) the member entity agrees to pay its share of the bonds or other obligations; and
- (2) the authority determines that as a result of that payment the remaining bonds or other obligations of the authority will not be impaired.

[Sections 8364.074-8364.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

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

Sec. 8364.102. GENERAL POWERS AND DUTIES. The authority has the powers and duties necessary to accomplish

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the purposes for which the authority is created.

Sec. 8364.103. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES.

The authority has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

[Sections 8364.104-8364.150 reserved for expansion]

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

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

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

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

SECTION 2. (a) Not later than September 15, 2011, the Sonterra Municipal Utility District and the CLL Municipal Utility District No. 1 shall each appoint two directors to the

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accomplish the purposes stated under Section 8364.004 for which the authority is created.

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

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

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

[Sections 8364.104-8364.150 reserved for expansion]

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Sec. 8364.152. NO TAXING POWER. The authority may not impose a tax. [FA1(1),(2)]

SECTION 2. Same as House version.

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board of directors of the Corn Hill Regional Water Authority under Section 8364.051, Special District Local Laws Code, as added by this Act.

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

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

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

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

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

SECTION 4. (a) Any eminent domain powers granted under general law to the Corn Hill Regional Water Authority as created by this Act take effect only if this Act receives a two-

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thirds vote of all the members elected to each house.

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

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

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

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

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

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

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SECTION 5. Same as House version.

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