

BILL ANALYSIS

Senate Research Center

S.B. 1116
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Intergovernmental Relations
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Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Crystal Clear Water Supply Corporation (CCWSC) is a nonprofit water supply corporation created under and governed by Chapter 67 (Nonprofit Water Supply or Sewer Service Corporations), Water Code, for the purpose of providing retail water service in portions of Comal, Guadalupe, and Hays counties.

CCWSC is governed by a seven-member board of directors that is elected by the members of the corporation. CCWSC is interested in converting into a special utility district so that it may have the advantages of being a political subdivision of the state, including liability protections, the ability to issue tax-exempt bonds for financing projects, and more competitive insurance rates.

S.B. 1116 creates the Crystal Clear Special Utility District and dissolves CCWSC.

S.B. 1116 amends current law relating to the creation, administration, powers, duties, functions, operations, and financing of the Crystal Clear Special Utility District, provides authority to issue bonds, and grants a limited power of eminent domain.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subtitle C, Title 6, Special District Local Laws Code, by adding Chapter 7206, as follows:

CHAPTER 7206. CRYSTAL CLEAR SPECIAL UTILITY DISTRICT

Sets forth standard language for the creation of the Crystal Clear Special Utility District (district) in Comal, Guadalupe, and Hays Counties. Sets forth standards, procedures, requirements, and criteria for:

Creation, purpose, and approval of the district (Sections 7206.001-7206.005);

Size, composition, election, and terms of the board of directors, including the appointment of temporary directors (Sections 7206.021-7206.022 and 7206.051-7206.052);

Transfer of assets and dissolution of the district and expiration of subchapter (Sections 7206.023-7206.024); and

Powers and duties of the district, authority to charge a water service impact fee, and a limit on eminent domain power (Sections 7206.101-7206.104).

Prohibits the district from exercising the power of eminent domain to condemn land, easements, or other property located outside the boundaries of the district for sanitary purposes.

SECTION 2. Sets forth the initial boundaries of the district.

SECTION 3. Sets forth the territory to be removed from Certificate of Convenience and Necessity No. 10297, as provided by Section 7206.023(a), Special District Local Laws Code, as added by this Act.

SECTION 4. Sets forth the territory that is prohibited from being added to the district without written consent of the landowner, as provided by Section 7206.101, Special District Local Laws Code, as added by this Act.

SECTION 5. Provides that all requirements of the constitution and the 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 6. (a) Provides that Section 7206.103, Special District Local Laws Code, as added by Section 1 of this Act, takes effect only if this Act receives a two-thirds vote of all the members elected to each house.

(b) Provides that if this Act does not receive a two-thirds vote of all the members elected to each house, Subchapter C, Chapter 7206, Special District Local Laws Code, as added by Section 1 of this Act, is amended by adding Section 7206.103, as follows:

Sec. 7206.103. NO EMINENT DOMAIN POWER. Prohibits the district from exercising the power of eminent domain.

(c) Provides that this section is not intended to be an expression of a legislative interpretation of the requirements of Section 17(c) (relating to authorizing eminent domain only on a two-thirds vote of all members elected to each house), Article I, Texas Constitution.

(d) Provides that if another state agency, including the Public Utility Commission of Texas, succeeds to the power, authority, duties, or jurisdiction of the Texas Commission on Environmental Quality (TCEQ) for any matter addressed by this Act, then any reference in this Act to TCEQ as to those matters means the successor agency. Provides that all compensation owed to the Crystal Clear Water Supply Corporation (CCWSC) under Section 13.254 (Revocation or Amendment of Certificate), Water Code, whether liquidated or not, for the area decertified by order of TCEQ under Application No. 37192-C, and all claims, causes of action, choses in action, rights, benefits, and interest are considered an asset of CCWSC, and on transfer of the assets of CCWSC to the district, such claims, causes of action, choses in action, rights, benefits, interest, and compensation is owed to, and accrues to, the district.

SECTION 7. Effective date: upon passage or September 1, 2013.