

By: Callegari

H.B. No. 168

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 375.161, Local Government Code, is amended to read as follows:

Sec. 375.161. CERTAIN RESIDENTIAL PROPERTY EXEMPT.

1 (a) Except as provided by Subsection (b), the~~[The]~~ board may not
2 impose an impact fee, assessment, tax, or other requirement for
3 payment, construction, alteration, or dedication under this
4 chapter on single-family detached residential property, duplexes,
5 triplexes, and fourplexes ~~[quadraplexes]~~.

6 (b) This section does not apply to a tax authorized or
7 approved by the voters of the district or a required payment for a
8 service provided by the district, including water and sewer
9 services.

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

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

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

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

22 (b) A municipality may enter into a contract with a water
23 district or with a corporation organized to be operated without
24 profit under which the district or corporation will acquire for the
25 benefit of and convey to the municipality, either separately or
26 together, one or more projects ~~[a water supply or treatment system,~~
27 ~~a water distribution system, a sanitary sewage collection or~~

1 ~~treatment system, or works or improvements necessary for drainage~~
2 ~~of land in the municipality].~~ In connection with the acquisition,
3 the district or corporation shall improve, enlarge, or extend the
4 existing municipal facilities as provided by the contract.

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

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

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

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

1 (d) The contract may provide that the district or
2 corporation may use the streets, alleys, and other public ways and
3 places of the municipality for project [~~water, sewer, or drainage~~]
4 purposes for a period that ends at the time the indebtedness of the
5 district or corporation is paid in full and the municipality
6 acquires title to the project [~~system~~] in accordance with this
7 section.

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

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

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

17 SECTION 4. Section 49.059, Water Code, is amended to read as
18 follows:

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

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

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

1 corporation, or other legal entity.

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

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

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

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

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

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

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

27 (e) [~~(b)~~] Within 60 days after the board determines a

1 relationship or employment exists which constitutes a
2 disqualification under Subsection (d) [~~(a)~~], it shall replace the
3 person serving as tax assessor and collector with a person who would
4 not be disqualified.

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

8 (g) [~~(d)~~] As used in this section, "developer of property in
9 the district" has the same meaning as in Section 49.052(d).

10 SECTION 5. Section 49.063, Water Code, is amended to read as
11 follows:

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

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

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

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

27 (3) failure of a county clerk to timely or properly

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

5 SECTION 6. Sections 49.102(a), (b), (c), and (h), Water
6 Code, are amended to read as follows:

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

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

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

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

6 SECTION 7. Sections 49.103(a) and (b), Water Code, are
7 amended to read as follows:

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

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

14 SECTION 8. Subchapter D, Chapter 49, Water Code, is amended
15 by adding Section 49.1045 to read as follows:

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

19 (1) has 10 or fewer registered voters; and
20 (2) holds an election jointly with a county in which
21 the district is wholly or partly located.

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

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

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

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

14 (2) the charge or fee:

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

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

24 (C) is [(iii) if] made by a district for retail or
25 wholesale service on land that at the time of platting was not being
26 provided with water, ~~[or]~~ wastewater, drainage, or storm water
27 detention or retention service by the district~~[, shall not be~~

