86R8864 SLB-F

By:  Hinojosa S.B. No. 912

A BILL TO BE ENTITLED

AN ACT

relating to the suspension of operations of water districts that have failed to follow a court order or administrative directive by the Texas Commission on Environmental Quality.

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

SECTION 1.  Subchapter D, Chapter 12, Water Code, is amended by adding Section 12.0815 to read as follows:

Sec. 12.0815.  SUSPENSION OF OPERATIONS. (a) This section applies to a district created under Section 59, Article XVI, Texas Constitution.

(b)  The commission shall give written notice to a district that has failed to follow a court order or commission directive that the district must comply with the court order or commission directive.

(c)  Not later than the 30th day after the date the district receives the notice under Subsection (b), the commission may suspend operations of the district if the commission has not received a response to the notice from the district, or has received an inadequate response.

(d)  If the commission suspends operations of a district under this section, the commission shall request that the attorney general bring suit for the appointment of a receiver to collect the assets and carry on the business of the district.

(e)  The court shall appoint a receiver if an appointment is necessary:

(1)  to guarantee the collection of assessments, fees, penalties, or interest;

(2)  to guarantee the continuous and adequate service to the customers of the district; or

(3)  to prevent continued or repeated violation of the court order or commission directive.

(f)  The receiver shall execute a bond to assure the proper performance of the receiver's duties in an amount to be set by the court.

(g)  After appointment and execution of bond, the receiver shall take possession of the assets of the district specified by the court. Until discharged by the court, the receiver shall perform the duties that the court directs to preserve the assets and carry on the business of the district and shall strictly observe the court order involved.

(h)  On a showing of good cause by the district, the court may dissolve the receivership and order the assets and control of the business returned to the district.

SECTION 2.  This Act takes effect September 1, 2019.