

By: Middleton

H.B. No. 3006

Substitute the following for H.B. No. 3006:

By: Kacal

C.S.H.B. No. 3006

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the creation of the Trinity Bay Special Utility
3 District and the powers and duties of the Trinity Bay Conservation
4 District; providing authority to issue bonds; providing authority
5 to impose assessments or fees.

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

7 ARTICLE 1. TRINITY BAY SPECIAL UTILITY DISTRICT

8 SECTION 1.01. Subtitle C, Title 6, Special District Local
9 Laws Code, is amended by adding Chapter 7223 to read as follows:

10 CHAPTER 7223. TRINITY BAY SPECIAL UTILITY DISTRICT

11 SUBCHAPTER A. GENERAL PROVISIONS

12 Sec. 7223.0101. DEFINITIONS. In this chapter:

13 (1) "Board" means the district's board of directors.

14 (2) "Director" means a member of the board.

15 (3) "District" means the Trinity Bay Special Utility
16 District.

17 Sec. 7223.0102. NATURE OF DISTRICT; FINDINGS OF BENEFIT AND
18 PURPOSE. (a) The district is a special utility district created in
19 Chambers and Jefferson Counties under Section 59, Article XVI,
20 Texas Constitution.

21 (b) The district is created to serve a public use and
22 benefit.

23 (c) The district is essential to accomplish the purposes of
24 Section 59, Article XVI, Texas Constitution.

1 Sec. 7223.0103. INITIAL DISTRICT TERRITORY. (a) The
2 district is initially composed of the territory described by
3 Section 1, Chapter 282, Acts of the 51st Legislature, Regular
4 Session, 1949, as that territory existed on September 1, 2021,
5 including any modifications made before that date under:

- 6 (1) Subchapter J, Chapter 49, Water Code; or
7 (2) other law.

8 (b) The boundaries and field notes contained in Section 1,
9 Chapter 282, Acts of the 51st Legislature, Regular Session, 1949,
10 form a closure. A mistake made in the field notes or in copying the
11 field notes in the legislative process does not affect the
12 district's:

- 13 (1) organization, existence, or validity;
14 (2) right to issue any type of bond for the purposes
15 for which the district is created or to pay the principal of and
16 interest on a bond; or
17 (3) legality or operation.

18 SUBCHAPTER A-1. TEMPORARY PROVISIONS

19 Sec. 7223.0151. TEMPORARY DIRECTORS. (a) Not later than
20 October 15, 2022, a temporary board of directors shall be appointed
21 as follows:

- 22 (1) three temporary directors appointed by the board
23 of directors of the Trinity Bay Conservation District; and
24 (2) two temporary directors appointed by the
25 commissioners court of Chambers County.

26 (b) A vacancy for a temporary director position shall be
27 filled in the same manner as the initial appointment.

1 Sec. 7223.0152. INITIAL DIRECTORS' ELECTION. Not later than
2 September 1, 2023, the temporary directors shall hold an election
3 to elect five directors.

4 Sec. 7223.0153. INITIAL ELECTED DIRECTORS; TERMS. The
5 directors elected under Section 7223.0152 shall draw lots to
6 determine which two shall serve until the first regularly scheduled
7 election of directors under Section 7223.0201 and which three shall
8 serve until the second regularly scheduled election of directors.

9 Sec. 7223.0154. EXPIRATION OF SUBCHAPTER. This subchapter
10 expires September 1, 2025.

11 SUBCHAPTER B. BOARD OF DIRECTORS

12 Sec. 7223.0201. DIRECTORS. (a) The district is governed by
13 a board of five elected directors.

14 (b) To be eligible to serve as a director a person must
15 reside in the district.

16 (c) The board has all powers conferred on a board of
17 directors under Chapter 65, Water Code.

18 (d) Directors serve staggered terms of four years.

19 (e) The Texas Commission on Environmental Quality may
20 appoint a member of the board to fill a vacancy on the board.

21 SUBCHAPTER C. POWERS AND DUTIES

22 Sec. 7223.0301. GENERAL POWERS AND DUTIES. (a) Except as
23 provided by Subsection (b), the district has all rights, powers,
24 privileges, functions, and duties provided by the general law of
25 this state applicable to a special utility district created under
26 Section 59, Article XVI, Texas Constitution, including Chapters 49
27 and 65, Water Code.

1 (b) The district may not perform a function that may be
2 performed by a drainage district operating under Chapter 56, Water
3 Code.

4 ARTICLE 2. TRINITY BAY CONSERVATION DISTRICT

5 SECTION 2.01. Chapter 282, Acts of the 51st Legislature,
6 Regular Session, 1949, is amended by adding Section 1a to read as
7 follows:

8 Sec. 1a. (a) Except as provided by Subsection (b) of this
9 section, the District has all rights, powers, privileges,
10 functions, and duties provided by the general law of this state
11 applicable to a drainage district created under Section 59, Article
12 XVI, Texas Constitution, including Chapters 49 and 56, Water Code.

13 (b) The District may not perform the same function as a
14 conservation and reclamation district whose territory overlaps
15 with the territory of the District.

16 SECTION 2.02. Sections 9(j) and (k), Chapter 282, Acts of
17 the 51st Legislature, Regular Session, 1949, are amended to read as
18 follows:

19 (j) To regulate [~~plumbing,~~] sewers and other drains used
20 only for drainage purposes, and the construction, replacement, and
21 operation thereof, and to abate any obstructions or encroachments
22 thereof, for the protection and enhancement of the health, safety
23 and welfare of the residents of the District.

24 (k) To require the owner of a sewer [~~plumbing, sewers,~~] or
25 other drain used only for drainage purposes who is [~~drains~~] found to
26 be in violation of the rules and regulations of the District to fill
27 up, cleanse, drain, alter, relay, repair, fix, or improve the same

1 as may be ordered or required by any rule or regulation of the
2 District; and in the event of any failure, neglect, or refusal to
3 comply with such rule or regulation, or in the event there be no
4 person in the District on whom the order to comply with such rule or
5 regulation can be served, the District may, after not less than 30
6 days written notice to said owner, by either personal service or
7 certified mail, have such work done and such improvements made on
8 account of the owner thereof. All costs, charges, and expenses
9 incurred by the District in accomplishing said work shall be a lien
10 on the property upon which said work is done, on the filing of a
11 memorandum of such by the President of the Board of Directors under
12 the seal of the District, and recording the same with the County
13 Clerk of the county in which the property lies. The District may
14 enforce said lien and institute suit in its name and obtain judgment
15 against said owner for the amount so due as aforesaid in any Court
16 having jurisdiction.

17 SECTION 2.03. Section 13(a), Chapter 282, Acts of the 51st
18 Legislature, Regular Session, 1949, is amended to read as follows:

19 (a) The District may adopt and enforce reasonable rules and
20 regulations to:

21 (1) ~~[secure and maintain safe, sanitary, and adequate~~
22 ~~plumbing installations, connections, and appurtenances as~~
23 ~~subsidiary parts of its sanitary sewer system,~~

24 ~~[(2) preserve the sanitary condition of all water~~
25 ~~controlled by the District,~~

26 ~~[(3)] prevent waste or the unauthorized use of water~~
27 controlled by the District; and

1 (2) [~~(4)~~] regulate privileges on any land or any
2 easement owned or controlled by the District.

3 SECTION 2.04. Sections 9(g), 9(h), and 11, Chapter 282,
4 Acts of the 51st Legislature, Regular Session, 1949, are repealed.

5 ARTICLE 3. TRANSITION AND NOTICE

6 SECTION 3.01. (a) In this section:

7 (1) "Conservation district" means the Trinity Bay
8 Conservation District.

9 (2) "Special utility district" means the Trinity Bay
10 Special Utility District.

11 (b) Not later than November 30, 2022, the conservation
12 district and the special utility district shall enter into a
13 memorandum of understanding regarding compensation to the
14 conservation district for assets transferred under Subsection (c)
15 of this section.

16 (c) Not later than December 1, 2022, the conservation
17 district shall:

18 (1) transfer to the special utility district the
19 conservation district's assets, debts, and contractual rights and
20 obligations relating to the construction, acquisition, ownership,
21 operation, maintenance, repair, improvement, and extension of
22 facilities necessary to:

23 (A) supply water for municipal uses, domestic
24 uses, power and commercial purposes, and other beneficial uses; or

25 (B) collect, transport, process, dispose of,
26 store, and control domestic, industrial, or communal wastes whether
27 in fluid, solid, or composite state; and

1 (2) provide notice and make recordings of the
2 transfers under this subsection as required by the Water Code, the
3 Property Code, and other law.

4 (d) On December 1, 2022, the powers, functions, and duties
5 of the conservation district that may be exercised by the special
6 utility district are transferred to the special utility district.

7 (e) Following the transfer under Subsection (c) of this
8 section:

9 (1) Certificates of Convenience and Necessity
10 Nos. 10997 and 20399 are considered to be held by the special
11 utility district; and

12 (2) the board of directors of the conservation
13 district shall notify the Public Utility Commission of Texas of the
14 transfer of Certificates of Convenience and Necessity Nos. 10997
15 and 20399 to the special utility district.

16 (f) On receipt of notice under Subsection (e)(2) of this
17 section, the Public Utility Commission of Texas shall note in its
18 records that Certificates of Convenience and Necessity Nos. 10997
19 and 20399 are held by the special utility district and shall reissue
20 the certificates in the name of the special utility district
21 without further application, notice, or hearing. A person, party,
22 or entity does not have any right of protest, objection, or
23 administrative review of the transfer prescribed by this section.

24 (g) The sale and transfer of the conservation district's
25 assets, debts, and contractual rights and obligations under
26 Subsection (c) of this section does not:

27 (1) contravene a trust indenture or bond resolution

1 relating to the district's outstanding bonds; or

2 (2) diminish or impair the rights of a holder of an
3 outstanding bond, warrant, or other obligation of the district.

4 (h) Before December 1, 2022, the temporary board of
5 directors of the special utility district:

6 (1) may not take any regulatory action under Chapter
7 49 or 65, Water Code;

8 (2) shall adopt rules for the administration of the
9 special utility district under Chapters 49 and 65, Water Code; and

10 (3) may hire employees of the special utility
11 district.

12 SECTION 3.02. (a) The legal notice of the intention to
13 introduce this Act, setting forth the general substance of this
14 Act, has been published as provided by law, and the notice and a
15 copy of this Act have been furnished to all persons, agencies,
16 officials, or entities to which they are required to be furnished
17 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
18 Government Code.

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

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

26 (d) All requirements of the constitution and laws of this
27 state and the rules and procedures of the legislature with respect

1 to the notice, introduction, and passage of this Act are fulfilled
2 and accomplished.

3 ARTICLE 4. EFFECTIVE DATES

4 SECTION 4.01. (a) Except as provided by Subsection (b) of
5 this section, this Act takes effect September 1, 2021.

6 (b) Article 2 of this Act takes effect December 1, 2022.