

By: Zaffirini

S.B. No. 2575

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the Springs Hill Special Utility District; authorizing a fee; granting the power of eminent domain.

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

SECTION 1. Subtitle C, Title 6, Special District Local Laws Code, is amended by adding Chapter 7208 to read as follows:

CHAPTER 7208. SPRINGS HILL SPECIAL UTILITY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7208.0101. DEFINITIONS. In this chapter:

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

(2) "Corporation" means the Springs Hill Water Supply Corporation.

(3) "Director" means a board member.

(4) "District" means the Springs Hill Special Utility District.

Sec. 7208.0102. NATURE OF DISTRICT. The district is a special utility district in Guadalupe and Wilson Counties created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution. The district is created to serve a public use and benefit.

Sec. 7208.0103. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation and initial directors' election held before September 1, 2026:

(1) the district is dissolved on September 1, 2026,

except that the district shall:

(A) pay any debts incurred;

(B) transfer to Guadalupe or Wilson County, as appropriate, any assets of the district that remain after the payment of debts; and

(C) maintain the organization of the district until all debts are paid and remaining assets are transferred; and

(2) this chapter expires September 1, 2027.

Sec. 7208.0104. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, Chapters 49 and 65, Water Code, apply to the district.

Sec. 7208.0105. INITIAL DISTRICT TERRITORY. The district's boundaries are coextensive with the boundaries of the territory that is described by Certificate of Convenience and Necessity No. 10666 as it existed on the effective date of the Act enacting this section.

SUBCHAPTER A-1. TEMPORARY PROVISIONS

Sec. 7208.0151. TEMPORARY DIRECTORS. (a) The temporary board of directors of the district is composed of:

(1) James Martin;

(2) Steve Ramsey;

(3) Bernard Mueller;

(4) Deborah Magin;

(5) Keith Steffens; and

(6) Michael Andrews.

(b) Each temporary director shall qualify for office as provided by Section 49.055, Water Code.

1 (c) If a temporary director fails to qualify for office, the
2 temporary directors who have qualified shall appoint a person to
3 fill the vacancy. If at any time there are fewer than four
4 qualified temporary directors, the Texas Commission on
5 Environmental Quality shall appoint the necessary number of
6 directors to fill all vacancies on the board.

7 (d) Temporary directors serve until the earlier of:

8 (1) the date initial directors are elected under
9 Section 7208.0152; or

10 (2) the date this chapter expires under Section
11 7208.0103.

12 Sec. 7208.0152. CONFIRMATION AND INITIAL DIRECTORS'
13 ELECTION. (a) Before September 1, 2026, the temporary directors
14 shall hold an election to confirm the creation of the district and
15 to elect six initial directors in accordance with Chapters 49 and
16 65, Water Code.

17 (b) The temporary board of directors shall determine the
18 method for determining the initial term of each person on the
19 initial board of directors. The terms must be clearly stated on the
20 ballot for the confirmation and directors' election.

21 (c) Section 41.001(a), Election Code, does not apply to a
22 confirmation and directors' election held as provided by this
23 section.

24 (d) The initial directors shall continue to serve until the
25 district directors elected at the first regularly scheduled
26 election of directors qualify for office.

27 Sec. 7208.0153. TRANSFER OF ASSETS; DISSOLUTION. (a) If the

creation of the district is confirmed under Section 7208.0152, the corporation shall transfer the assets, debts, and contractual rights and obligations of the corporation to the district.

(b) Following the transfer under Subsection (a):

(1) the board of directors of the corporation shall commence dissolution proceedings of the corporation;

(2) Certificate of Convenience and Necessity No. 10666 is considered to be held by the district; and

(3) the board of directors of the corporation shall notify:

(A) the Texas Commission on Environmental Quality of the dissolution of the corporation; and

(B) the Public Utility Commission of Texas of the transfer of Certificate of Convenience and Necessity No. 10666 to the district.

(c) On receipt of notice under Subsection (b)(3)(B), the Public Utility Commission of Texas shall note in its records that Certificate of Convenience and Necessity No. 10666 is held by the district and shall reissue the certificate in the name of the district without further application, notice, or hearing. A person, party, or entity does not have any right of protest, objection, or administrative review of the transfer prescribed by this section.

Sec. 7208.0154. EXPIRATION OF SUBCHAPTER. This subchapter expires September 1, 2027.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 7208.0201. DIRECTORS. The district shall be governed

1 by a board of not fewer than 5 and not more than 11 directors,
2 elected in accordance with Section 65.103, Water Code.

3 SUBCHAPTER C. POWERS AND DUTIES

4 Sec. 7208.0301. GENERAL POWERS. Except as otherwise
5 provided by this chapter, the district has all of the rights,
6 powers, privileges, authority, functions, and duties provided by
7 the general law of this state, including Chapters 49 and 65, Water
8 Code, applicable to special utility districts created under Section
9 59, Article XVI, Texas Constitution.

10 Sec. 7208.0302. WATER SERVICE IMPACT FEE. (a) The district
11 may charge a water service impact fee that is not greater than the
12 capital recovery fee charged by the corporation on October 26,
13 2021, under the corporation's tariff.

14 (b) Chapter 395, Local Government Code, does not apply to an
15 initial water service impact fee set under Subsection (a).

16 (c) The district may increase the water service impact fee
17 authorized under Subsection (a) only as provided by Chapter 395,
18 Local Government Code, as approved by the Texas Commission on
19 Environmental Quality, or as otherwise provided by law.

20 SECTION 2. (a) The legal notice of the intention to
21 introduce this Act, setting forth the general substance of this
22 Act, has been published as provided by law, and the notice and a
23 copy of this Act have been furnished to all persons, agencies,
24 officials, or entities to which they are required to be furnished
25 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
26 Government Code.

27 (b) The governor, one of the required recipients, has

1 submitted the notice and Act to the Texas Commission on
2 Environmental Quality.

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

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

11 SECTION 3. (a) If this Act does not receive a two-thirds
12 vote of all the members elected to each house, Subchapter C, Chapter
13 7208, Special District Local Laws Code, as added by Section 1 of
14 this Act, is amended by adding Section 7208.0303 to read as follows:

15 Sec. 7208.0303. NO EMINENT DOMAIN POWER. The district may
16 not exercise the power of eminent domain.

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

20 SECTION 4. This Act takes effect immediately if it receives
21 a vote of two-thirds of all the members elected to each house, as
22 provided by Section 39, Article III, Texas Constitution. If this
23 Act does not receive the vote necessary for immediate effect, this
24 Act takes effect September 1, 2023.