

SENATE AMENDMENTS

2nd Printing

By: Jetton, et al.

H.B. No. 2815

A BILL TO BE ENTITLED

AN ACT

relating to the powers, authorities, duties, and responsibilities
of certain conservation and reclamation districts.

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

SECTION 1. Section 375.022, Local Government Code, is
amended by adding Subsections (d) and (e) to read as follows:

(d) The petition may request that a succeeding board of
directors be elected under Section 375.0645 instead of being
appointed under Section 375.064.

(e) On receipt by the commission of a petition that complies
with this section, the commission shall issue a notice indicating
that the petition is administratively complete and may conduct a
hearing on the petition in the manner provided by Section 49.011,
Water Code, if the commission determines that a hearing is
necessary.

SECTION 2. Section 375.025(c), Local Government Code, is
amended to read as follows:

(c) If [~~after the hearing~~] the commission finds that the
petition is sufficient and conforms to the requirements of Section
375.022(c) and that the district is feasible [~~and necessary~~] and
would benefit the public, the commission by order shall make that
finding and grant the petition. In determining if the project is
feasible [~~and necessary~~] and would benefit the public, the
commission shall consider:

1 (1) the availability of comparable services from other
2 systems, including special districts, municipalities, and regional
3 authorities; and

4 (2) the reasonableness of the proposed public purpose
5 projects and services.

6 SECTION 3. Subchapter D, Chapter 375, Local Government
7 Code, is amended by adding Section 375.0645 to read as follows:

8 Sec. 375.0645. ELECTION OF DIRECTORS. (a) This section
9 applies only to a district created by order of the commission
10 providing for an elected board of directors as requested in the
11 petition requesting creation of the district as provided by Section
12 375.022(d).

13 (b) The commission shall appoint the initial directors
14 under Section 375.026, and subsequent directors are elected in the
15 manner provided by Subchapter D, Chapter 49, Water Code.

16 (c) An elected director is entitled to receive fees of
17 office and reimbursement for actual expenses as provided by Section
18 49.060, Water Code.

19 (d) Sections 375.069 and 375.070 do not apply to an elected
20 director.

21 (e) Section 49.052(f), Water Code, does not exempt an
22 elected director from disqualification under that section.

23 (f) Sections 375.064, 375.161, and 375.243 do not apply to a
24 district with an elected board.

25 SECTION 4. Section 375.065, Local Government Code, is
26 amended to read as follows:

27 Sec. 375.065. REMOVAL OF DIRECTOR. The governing body of

1 the municipality after notice and hearing may remove a director
2 appointed by the municipality for misconduct or failure to carry
3 out the director's duties on petition by a majority of the remaining
4 directors.

5 SECTION 5. Section 375.067(a), Local Government Code, is
6 amended to read as follows:

7 (a) As soon as practicable after a director is appointed or
8 elected as provided by this subchapter, the director shall execute
9 a \$10,000 bond payable to the district and conditioned on the
10 faithful performance of the director's duties.

11 SECTION 6. Section 375.068, Local Government Code, is
12 amended to read as follows:

13 Sec. 375.068. OFFICERS. After directors are appointed or
14 elected as provided by this subchapter and have qualified by
15 executing a bond and taking the oath, they shall organize by
16 electing a president, a vice-president, a secretary, and any other
17 officers the board considers necessary.

18 SECTION 7. Section 375.071, Local Government Code, is
19 amended to read as follows:

20 Sec. 375.071. QUORUM. (a) One-half of the serving
21 directors constitutes a quorum, and a concurrence of a majority of a
22 quorum of directors is required for any official action of the
23 district.

24 (b) If at least two-thirds of the directors execute a
25 written consent, a majority of a quorum at a board meeting may [The
26 ~~written consent of at least two-thirds of the directors is required~~
27 ~~to~~] authorize the levy of assessments, the levy of taxes, the

1 imposition of impact fees, or the issuance of bonds. A director may
2 execute a written consent outside of a board meeting.

3 SECTION 8. Section 375.161(b), Local Government Code, is
4 amended to read as follows:

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

9 SECTION 9. Section 375.208, Local Government Code, is
10 amended to read as follows:

11 Sec. 375.208. COMMISSION APPROVAL. A district may not
12 issue bonds to provide funding for [~~must obtain approval of the~~
13 ~~commission as provided by Chapter 54, Water Code, if it issues bonds~~
14 ~~to provide~~] water, sewage, or drainage facilities unless the
15 commission determines that the project is feasible and issues an
16 order approving the issuance of the bonds in the manner provided by
17 Section 49.181, Water Code. [~~Except as expressly provided by this~~
18 ~~section and Sections 375.062 and 375.064, a district is not subject~~
19 ~~to the jurisdiction of the commission.~~]

20 SECTION 10. Section 49.011(a), Water Code, is amended to
21 read as follows:

22 (a) On receipt by the commission of all required
23 documentation associated with an application for creation of a
24 district by the commission under Chapter 36, 50, 51, 54, 55, 58, 65,
25 or 66 of this code or Chapter 375, Local Government Code, the
26 commission shall issue a notice indicating that the application is
27 administratively complete.

1 SECTION 11. Section 49.060, Water Code, is amended by
2 amending Subsection (a) and adding Subsection (a-2) to read as
3 follows:

4 (a) A director is entitled to receive fees of office [~~of not~~
5 ~~more than \$150 a day~~] for each day the director actually spends
6 performing the duties of a director. The board by resolution shall
7 set the fees of office. The board may not set the fees of office at
8 an amount greater than the amount of the per diem set by the Texas
9 Ethics Commission for members of the legislature under Section 24a,
10 Article III, Texas Constitution. In this subsection, "performing
11 the duties of a director" means substantive performance of the
12 management or business of the district, including participation in
13 board and committee meetings and other activities involving the
14 substantive deliberation of district business and in pertinent
15 educational programs. The phrase does not include routine or
16 ministerial activities such as the execution of documents,
17 self-preparation for meetings, or other activities requiring a
18 minimal amount of time.

19 (a-2) Notwithstanding Subsection (a-1), an authority
20 created by special law, by resolution of the board, may not set the
21 annual limit on the fees of office described by that subsection at
22 an amount greater than the amount a director would receive for 60
23 days of service a year at the maximum daily rate authorized by
24 Subsection (a).

25 SECTION 12. Section 49.065, Water Code, is amended by
26 adding Subsection (d) to read as follows:

27 (d) Subsection (b) applies to a personal e-mail address of a

1 director only if the district does not make available to the public
2 an official e-mail address for the director or the district. In
3 this subsection, "personal e-mail address" means an e-mail address
4 that is not paid for by district money and is not used primarily for
5 the transaction of official business of the district.

6 SECTION 13. Section 49.102, Water Code, is amended by
7 amending Subsection (j) and adding Subsection (k) to read as
8 follows:

9 (j) The provisions of this section requiring a confirmation
10 election do not apply to a [~~shall not be applicable to any~~] district
11 exercising the powers of Chapter 375, Local Government Code, or any
12 district created by a special Act of the legislature that does not
13 require a confirmation election.

14 (k) Notwithstanding any other law, if the board determines
15 that it is in the best interest of the district and the voters of the
16 district for the district to administer an election under this
17 section, the district shall establish precincts and designate
18 polling locations inside the boundaries of the district.

19 SECTION 14. Section 49.106, Water Code, is amended by
20 adding Subsection (f) to read as follows:

21 (f) The board may submit new bond authorization and
22 refunding bond authorization in a single proposition at an
23 election.

24 SECTION 15. Section 49.181, Water Code, is amended by
25 adding Subsection (f-1) to read as follows:

26 (f-1) For the purposes of evaluating the financial
27 feasibility of a project financed by a bond, the commission shall

1 consider:

2 (1) a district located wholly or partly in Austin,
3 Brazos, Chambers, Grimes, Liberty, Walker, or Wharton County as if
4 the district were located in Harris County; and

5 (2) a district located wholly or partly in Bastrop,
6 Bell, Blanco, Burnet, Caldwell, Gillespie, Kendall, Lee, or Milam
7 County as if the district were located in Travis County.

8 SECTION 16. Section 49.23602(c), Water Code, is amended to
9 read as follows:

10 (c) If the board of a district adopts a combined debt
11 service, contract, and operation and maintenance tax rate that
12 exceeds the district's mandatory tax election rate, an election
13 must be held in accordance with the procedures provided by Sections
14 26.07(c)-(g), Tax Code, to determine whether to approve the adopted
15 tax rate. If the adopted tax rate is not approved at the election,
16 the district's tax rate is the voter-approval tax rate. An election
17 is not required if the adopted tax rate is less than or equal to the
18 voter-approval tax rate.

19 SECTION 17. Subchapter J, Chapter 49, Water Code, is
20 amended by adding Section 49.316 to read as follows:

21 Sec. 49.316. DIVISION OF DISTRICT. (a) The board, on its
22 own motion or on receipt of a petition signed by the owner or owners
23 of a majority of the assessed value of the real property in the
24 district, may adopt an order dividing the district.

25 (b) An order dividing a district may create one or more new
26 districts and may provide for the continuation of the district.

27 (c) An order dividing the district shall:

1 (1) name any new district;

2 (2) include the metes and bounds description of the
3 territory of each of the districts;

4 (3) appoint temporary directors for any new district;
5 and

6 (4) provide for the division of assets and liabilities
7 between the districts.

8 (d) The board may adopt an order dividing the district
9 before or after the date the board holds an election to confirm the
10 district's creation.

11 (e) The district may be divided only if the district:

12 (1) has never issued any bonds; and

13 (2) is not imposing ad valorem taxes.

14 (f) A new district created by the division of the district
15 may not, at the time the new district is created, contain any land
16 outside the area of the district at the time of creation.

17 (g) On or before the 30th day after the date of adoption of
18 an order dividing the district, the district shall file the order
19 with the commission and record the order in the real property
20 records of each county in which the district is located.

21 (h) A new district created by the division of the district
22 shall hold a confirmation and directors' election.

23 (i) If the creation of a new district is confirmed, the new
24 district shall provide the election date and results to the
25 commission.

26 (j) A new district created by the division of the district
27 must hold an election as required by this chapter to obtain voter

1 approval before the district may impose a maintenance tax or issue
2 bonds payable wholly or partly from ad valorem taxes.

3 (k) Municipal consent to the creation of the district and to
4 the inclusion of land in the district acts as municipal consent to
5 the creation of any new district created by the division of the
6 district and to the inclusion of land in the new district.

7 (l) The district may continue to rely on confirmation,
8 directors', bond, and tax elections held before the division.

9 SECTION 18. Subchapter O, Chapter 51, Water Code, is
10 amended by adding Section 51.7131 to read as follows:

11 Sec. 51.7131. ALTERNATIVE SUBSTITUTION PROCEDURES.
12 Notwithstanding this subchapter, a district may substitute land in
13 the manner provided by Sections 54.739-54.747.

14 SECTION 19. Section 57.053, Water Code, is amended by
15 amending Subsection (a) and adding Subsection (d) to read as
16 follows:

17 (a) A vacancy on an appointed board is filled by the
18 appointment of a director by a majority vote of the commissioners
19 court. [~~A director appointed to fill a vacancy must be a person~~
20 ~~qualified for election as a director under Section 57.059.~~] The
21 commissioners court shall appoint directors so that the board will
22 always have full membership.

23 (d) A director appointed to fill a vacancy must be a person
24 qualified to serve as a director under Section 57.059.

25 SECTION 20. Section 57.059, Water Code, is amended to read
26 as follows:

27 Sec. 57.059. QUALIFICATIONS FOR [~~ELECTED~~] DIRECTORS. To be

1 qualified to serve [~~for election~~] as a director, a person must:

2 (1) be at least 18 years old;

3 (2) own land subject to taxation in the district or be
4 a qualified voter in the district; [~~property taxpaying elector of~~
5 ~~the precinct and county from which he is elected~~] and

6 (3) if the director is elected, be a qualified voter of
7 the precinct in the district established by the commissioners court
8 under Section 57.058 from which the director is elected [~~be~~
9 ~~eligible under the constitution and laws of this state to hold the~~
10 ~~office to which he is elected~~].

11 SECTION 21. The following provisions are repealed:

12 (1) Sections 375.023 and 375.024, Local Government
13 Code;

14 (2) Sections 375.025(a) and (b), Local Government
15 Code;

16 (3) Section 54.030(b), Water Code, as amended by
17 Chapter 539 (H.B. 2914), Acts of the 86th Legislature, Regular
18 Session, 2019;

19 (4) Section 54.032(a), Water Code, as amended by
20 Chapter 539 (H.B. 2914), Acts of the 86th Legislature, Regular
21 Session, 2019;

22 (5) Section 54.033(a), Water Code, as amended by
23 Chapter 539 (H.B. 2914), Acts of the 86th Legislature, Regular
24 Session, 2019; and

25 (6) Section 54.103, Water Code.

26 SECTION 22. This Act takes effect immediately if it receives
27 a vote of two-thirds of all the members elected to each house, as

H.B. No. 2815

1 provided by Section 39, Article III, Texas Constitution. If this
2 Act does not receive the vote necessary for immediate effect, this
3 Act takes effect September 1, 2023.

By: Bruce Ceylan

ADOPTED H.B. No. 2815

Substitute the following for H.B. No. 2815

MAY 24 2023

By: [Signature]

C.S.H. B. No. 2815
Secretary of the Senate

A BILL TO BE ENTITLED

1

AN ACT

2 relating to the powers, authorities, duties, and responsibilities
3 of certain conservation and reclamation districts.

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

5 SECTION 1. Section 375.022, Local Government Code, is
6 amended by adding Subsections (d) and (e) to read as follows:

7 (d) The petition may request that a succeeding board of
8 directors be elected under Section 375.0645 instead of being
9 appointed under Section 375.064.

10 (e) On receipt by the commission of a petition that complies
11 with this section, the commission shall issue a notice indicating
12 that the petition is administratively complete and may conduct a
13 hearing on the petition in the manner provided by Section 49.011,
14 Water Code, if the commission determines that a hearing is
15 necessary.

16 SECTION 2. Section 375.025(c), Local Government Code, is
17 amended to read as follows:

18 (c) If [~~after the hearing~~] the commission finds that the
19 petition is sufficient and conforms to the requirements of Section
20 375.022(c) and that the district is feasible [~~and necessary~~] and
21 would benefit the public, the commission by order shall make that
22 finding and grant the petition. In determining if the project is
23 feasible [~~and necessary~~] and would benefit the public, the
24 commission shall consider:

1 (1) the availability of comparable services from other
2 systems, including special districts, municipalities, and regional
3 authorities; and

4 (2) the reasonableness of the proposed public purpose
5 projects and services.

6 SECTION 3. Subchapter D, Chapter 375, Local Government
7 Code, is amended by adding Section 375.0645 to read as follows:

8 Sec. 375.0645. ELECTION OF DIRECTORS. (a) This section
9 applies only to a district created by order of the commission
10 providing for an elected board of directors as requested in the
11 petition requesting creation of the district as provided by Section
12 375.022(d).

13 (b) The commission shall appoint the initial directors
14 under Section 375.026, and subsequent directors are elected in the
15 manner provided by Subchapter D, Chapter 49, Water Code.

16 (c) An elected director is entitled to receive fees of
17 office and reimbursement for actual expenses as provided by Section
18 49.060, Water Code.

19 (d) Sections 375.069 and 375.070 do not apply to an elected
20 director.

21 (e) Section 49.052(f), Water Code, does not exempt an
22 elected director from disqualification under that section.

23 (f) Sections 375.064, 375.161, and 375.243 do not apply to a
24 district with an elected board.

25 SECTION 4. Section 375.065, Local Government Code, is
26 amended to read as follows:

27 Sec. 375.065. REMOVAL OF DIRECTOR. The governing body of

1 the municipality after notice and hearing may remove a director
2 appointed by the municipality for misconduct or failure to carry
3 out the director's duties on petition by a majority of the remaining
4 directors.

5 SECTION 5. Section 375.067(a), Local Government Code, is
6 amended to read as follows:

7 (a) As soon as practicable after a director is appointed or
8 elected as provided by this subchapter, the director shall execute
9 a \$10,000 bond payable to the district and conditioned on the
10 faithful performance of the director's duties.

11 SECTION 6. Section 375.068, Local Government Code, is
12 amended to read as follows:

13 Sec. 375.068. OFFICERS. After directors are appointed or
14 elected as provided by this subchapter and have qualified by
15 executing a bond and taking the oath, they shall organize by
16 electing a president, a vice-president, a secretary, and any other
17 officers the board considers necessary.

18 SECTION 7. Section 375.071, Local Government Code, is
19 amended to read as follows:

20 Sec. 375.071. QUORUM. (a) One-half of the serving
21 directors constitutes a quorum, and a concurrence of a majority of a
22 quorum of directors is required for any official action of the
23 district.

24 (b) If at least two-thirds of the directors execute a
25 written consent at any time, a majority of a quorum at a board
26 meeting may [~~The written consent of at least two-thirds of the~~
27 ~~directors is required to~~] authorize the levy of assessments, the

1 levy of taxes, the imposition of impact fees, or the issuance of
2 bonds. A director may execute a written consent outside of a board
3 meeting.

4 SECTION 8. Section 375.161(b), Local Government Code, is
5 amended to read as follows:

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

10 SECTION 9. Section 375.208, Local Government Code, is
11 amended to read as follows:

12 Sec. 375.208. COMMISSION APPROVAL. A district must obtain
13 approval of the commission as provided by Section 49.181 [~~Chapter~~
14 ~~54~~], Water Code, only if the [~~it issues~~] bonds are to provide water,
15 sewage, or drainage facilities. [~~Except as expressly provided by~~
16 ~~this section and Sections 375.062 and 375.064, a district is not~~
17 ~~subject to the jurisdiction of the commission.~~]

18 SECTION 10. Section 49.011(a), Water Code, is amended to
19 read as follows:

20 (a) On receipt by the commission of all required
21 documentation associated with an application for creation of a
22 district by the commission under Chapter 36, 50, 51, 54, 55, 58, 65,
23 or 66 of this code or Chapter 375, Local Government Code, the
24 commission shall issue a notice indicating that the application is
25 administratively complete.

26 SECTION 11. Section 49.060, Water Code, is amended by
27 amending Subsection (a) and adding Subsection (a-2) to read as

1 follows:

2 (a) A director is entitled to receive fees of office [~~of not~~
3 ~~more than \$150 a day~~] for each day the director actually spends
4 performing the duties of a director. The board by resolution shall
5 set the fees of office. The board may not set the fees of office at
6 an amount greater than the amount of the per diem set by the Texas
7 Ethics Commission for members of the legislature under Section 24a,
8 Article III, Texas Constitution. In this subsection, "performing
9 the duties of a director" means substantive performance of the
10 management or business of the district, including participation in
11 board and committee meetings and other activities involving the
12 substantive deliberation of district business and in pertinent
13 educational programs. The phrase does not include routine or
14 ministerial activities such as the execution of documents,
15 self-preparation for meetings, or other activities requiring a
16 minimal amount of time.

17 (a-2) Notwithstanding Subsection (a-1), an authority
18 created by special law, by resolution of the board, may not set the
19 annual limit on the fees of office described by that subsection at
20 an amount greater than the amount a director would receive for 60
21 days of service a year at the maximum daily rate authorized by
22 Subsection (a).

23 SECTION 12. Section 49.065, Water Code, is amended by
24 adding Subsection (d) to read as follows:

25 (d) Subsection (b) applies to a personal e-mail address of a
26 director only if the district does not make available to the public
27 an official e-mail address for the director or the district. In

1 this subsection, "personal e-mail address" means an e-mail address
2 that is not paid for by district money and is not used primarily for
3 the transaction of official business of the district.

4 SECTION 13. Section 49.102, Water Code, is amended by
5 amending Subsection (j) and adding Subsections (k) and (l) to read
6 as follows:

7 (j) The provisions of this section requiring a confirmation
8 election do not apply to a [~~shall not be applicable to any~~] district
9 exercising the powers of Chapter 375, Local Government Code, or any
10 district created by a special Act of the legislature that does not
11 require a confirmation election.

12 (k) Notwithstanding any other law, if the board determines
13 that it is in the best interest of the district and the voters of the
14 district for the district to administer an election under this
15 section, the district shall establish precincts and designate
16 polling locations inside the boundaries of the district.

17 (l) Section 43.075, Local Government Code, does not apply to
18 a district until the board declares the district is created under
19 Subsection (e) of this section.

20 SECTION 14. Section 49.106, Water Code, is amended by
21 amending Subsection (e) and adding Subsection (f) to read as
22 follows:

23 (e) A district's authorization to issue bonds resulting
24 from an election held under this section, or any other law that
25 allows for the qualified voters of a district to authorize the
26 issuance of bonds by a district, remains in effect after the
27 election unless the district is dissolved [~~or is annexed by another~~

1 ~~district]~~.

2 (f) The board may submit new bond authorization and
3 refunding bond authorization in a single proposition at an
4 election.

5 SECTION 15. Section 49.181, Water Code, is amended by
6 adding Subsection (f-1) to read as follows:

7 (f-1) For the purposes of evaluating the financial
8 feasibility of a project financed by a bond, the commission shall
9 consider:

10 (1) a district located wholly or partly in Austin,
11 Brazos, Chambers, Grimes, Liberty, Walker, or Wharton County as if
12 the district were located in Harris County; and

13 (2) a district located wholly or partly in Bastrop,
14 Bell, Blanco, Burnet, Caldwell, Gillespie, Kendall, Lee, or Milam
15 County as if the district were located in Travis County.

16 SECTION 16. Section 49.23602(c), Water Code, is amended to
17 read as follows:

18 (c) If the board of a district adopts a combined debt
19 service, contract, and operation and maintenance tax rate that
20 exceeds the district's mandatory tax election rate, an election
21 must be held in accordance with the procedures provided by Sections
22 26.07(c)-(g), Tax Code, to determine whether to approve the adopted
23 tax rate. If the adopted tax rate is not approved at the election,
24 the district's tax rate is the voter-approval tax rate. An election
25 is not required if the adopted tax rate is less than or equal to the
26 voter-approval tax rate.

27 SECTION 17. Section 49.271, Water Code, is amended by

1 amending Subsection (e) and adding Subsection (f) to read as
2 follows:

3 (e) A [~~district~~] contract for construction work may include
4 economic incentives for early completion of the work or economic
5 disincentives for late completion of the work.

6 (f) The provisions of this section apply to a contract for
7 construction work entered into by a third party on behalf of a
8 district.

9 SECTION 18. Subchapter J, Chapter 49, Water Code, is
10 amended by adding Section 49.316 to read as follows:

11 Sec. 49.316. DIVISION OF DISTRICT. (a) The board, on its
12 own motion or on receipt of a petition signed by the owner or owners
13 of a majority of the assessed value of the real property in the
14 district, may adopt an order dividing the district.

15 (b) An order dividing a district may create one or more new
16 districts and may provide for the continuation of the district.

17 (c) An order dividing the district shall:

18 (1) name any new district;

19 (2) include the metes and bounds description of the
20 territory of each of the districts;

21 (3) appoint temporary directors for any new district;

22 and

23 (4) provide for the division of assets and liabilities
24 between the districts.

25 (d) The board may adopt an order dividing the district
26 before or after the date the board holds an election to confirm the
27 district's creation.

1 (e) The district may be divided only if the district:

2 (1) has never issued any bonds; and

3 (2) is not imposing ad valorem taxes.

4 (f) A new district created by the division of the district
5 may not, at the time the new district is created, contain any land
6 outside the area of the district at the time of creation.

7 (g) On or before the 30th day after the date of adoption of
8 an order dividing the district, the district shall file the order
9 with the commission and record the order in the real property
10 records of each county in which the district is located.

11 (h) A new district created by the division of the district
12 shall hold a confirmation and directors' election.

13 (i) If the creation of a new district is confirmed, the new
14 district shall provide the election date and results to the
15 commission.

16 (j) A new district created by the division of the district
17 must hold an election as required by this chapter to obtain voter
18 approval before the district may impose a maintenance tax or issue
19 bonds payable wholly or partly from ad valorem taxes.

20 (k) Municipal consent to the creation of the district and to
21 the inclusion of land in the district acts as municipal consent to
22 the creation of any new district created by the division of the
23 district and to the inclusion of land in the new district.

24 (l) The district may continue to rely on confirmation,
25 directors', bond, and tax elections held before the division.

26 SECTION 19. Subchapter O, Chapter 51, Water Code, is
27 amended by adding Section 51.7131 to read as follows:

1 Sec. 51.7131. ALTERNATIVE SUBSTITUTION PROCEDURES.

2 Notwithstanding this subchapter, a district may substitute land in
3 the manner provided by Sections 54.739-54.747.

4 SECTION 20. Section 53.029(e), Water Code, is amended to
5 read as follows:

6 (e) A district that has adopted the rights, authority,
7 privileges, and functions of a road district in the manner provided
8 by Subsection (c) may, following approval of a construction
9 contract by the district's governing body, reimburse expenditures
10 as provided by Sections 257.003(a), ~~[and]~~ (b), and (d),
11 Transportation Code, without any additional approval or
12 determination under Section 257.003, Transportation Code.

13 SECTION 21. Section 54.016, Water Code, is amended by
14 adding Subsection (f-1) to read as follows:

15 (f-1) An agreement between a municipality and a municipal
16 utility district is an allocation agreement only if:

17 (1) the agreement strictly complies with the
18 requirements of Subsection (f); and

19 (2) the agreement is specifically designated by the
20 parties to the agreement as an "allocation agreement" under
21 Subsection (f).

22 SECTION 22. Sections 54.234(d) and (e), Water Code, are
23 amended to read as follows:

24 (d) If the commission issues an order approving the
25 petition, the district may undertake a road project if:

26 (1) the municipality or county with platting
27 jurisdiction [~~that will operate and maintain the road~~] has approved

1 the plans and specifications of the road project; or

2 (2) the Texas Transportation Commission has approved
3 the plans and specifications of the road project, if the state is to
4 operate and maintain the road.

5 (e) Notwithstanding any other law and except ~~[Except]~~ as
6 provided by Subsection (d), a district is not required to obtain
7 approval from the Texas Transportation Commission to acquire,
8 construct, convey, or finance the road project.

9 SECTION 23. Section 57.053, Water Code, is amended by
10 amending Subsection (a) and adding Subsection (d) to read as
11 follows:

12 (a) A vacancy on an appointed board is filled by the
13 appointment of a director by a majority vote of the commissioners
14 court. ~~[A director appointed to fill a vacancy must be a person~~
15 ~~qualified for election as a director under Section 57.059.]~~ The
16 commissioners court shall appoint directors so that the board will
17 always have full membership.

18 (d) A director appointed to fill a vacancy must be a person
19 qualified to serve as a director under Section 57.059.

20 SECTION 24. Section 57.059, Water Code, is amended to read
21 as follows:

22 Sec. 57.059. QUALIFICATIONS FOR ~~[ELECTED]~~ DIRECTORS. To be
23 qualified to serve ~~[for election]~~ as a director, a person must:

24 (1) be at least 18 years old;

25 (2) own land subject to taxation in the district or be
26 a qualified voter in the district; ~~[property taxpaying elector of~~
27 ~~the precinct and county from which he is elected]~~ and

1 (3) if the director is elected, be a qualified voter of
2 the precinct in the district established by the commissioners court
3 under Section 57.058 from which the director is elected [~~be~~
4 ~~eligible under the constitution and laws of this state to hold the~~
5 ~~office to which he is elected~~].

6 SECTION 25. The following provisions are repealed:

7 (1) Sections 375.023 and 375.024, Local Government
8 Code;

9 (2) Sections 375.025(a) and (b), Local Government
10 Code;

11 (3) Section 54.030(b), Water Code, as amended by
12 Chapter 539 (H.B. 2914), Acts of the 86th Legislature, Regular
13 Session, 2019;

14 (4) Section 54.032(a), Water Code, as amended by
15 Chapter 539 (H.B. 2914), Acts of the 86th Legislature, Regular
16 Session, 2019;

17 (5) Section 54.033(a), Water Code, as amended by
18 Chapter 539 (H.B. 2914), Acts of the 86th Legislature, Regular
19 Session, 2019; and

20 (6) Section 54.103, Water Code.

21 SECTION 26. This Act takes effect immediately if it
22 receives a vote of two-thirds of all the members elected to each
23 house, as provided by Section 39, Article III, Texas Constitution.
24 If this Act does not receive the vote necessary for immediate
25 effect, this Act takes effect September 1, 2023.

ADOPTED

MAY 24 2023

BY:

Bryan Crighton

FLOOR AMENDMENT NO. 1

Latey Spaw
Secretary of the Senate

1 Amend C.S.H.B. No. 2815 (house committee report) by adding
2 the following appropriately numbered SECTION to the bill and
3 renumbering subsequent SECTIONS of the bill accordingly:

4 SECTION __. Section 54.728, Water Code, is amended to read as
5 follows:

6 Sec. 54.728. CONSOLIDATION OF DISTRICTS. (a) Two or more
7 districts governed by the provisions of this chapter may
8 consolidate into one district as provided by Sections 54.729-
9 54.733 of this code.

10 (b) One or more districts governed by the provisions of this
11 chapter and one or more districts governed by the provisions of
12 Chapter 375, Local Government Code, may consolidate into one
13 district as provided by this subsection and Sections 54.729-54.733
14 of this code. The initial directors of the consolidated district
15 shall be elected and serve terms as provided by Section 49.103 of
16 this code. The consolidation agreement under this subsection may
17 provide that the consolidated district continue operating with the
18 powers, authorities, duties, responsibilities, and board of
19 directors of one of the original districts before consolidation.

20 (c) After the initial election of directors, a district
21 consolidated under Subsection (b) is governed as agreed by either:

22 (1) an elected board of directors, who must be elected
23 at a general election in the manner and for the terms provided by
24 Section 49.103; or

25 (2) an appointed board of directors, who must be
26 appointed as provided under Chapter 375, Local Government Code.

ADOPTED

FLOOR AMENDMENT NO. 2

MAY 24 2023

BY: Bryan Ceynter

Lacey Spaw
Secretary of the Senate

1 Amend C.S.H.B. No. 2815 (senate committee report) by
2 inserting the appropriately numbered SECTION to the bill and
3 renumbering subsequent SECTIONS of the bill accordingly:

4 SECTION __. Section 49.063, Water Code, is amended by adding
5 Subsections (d) and (e) to read as follows:

6 (d) A district that is required by law to post notice of a
7 meeting on an Internet website may instead provide the notice to
8 the county clerk of each county in which the district is located
9 to post the notice on the county clerk's or county's Internet
10 website.

11 (e) Failure to timely or properly post a notice of a meeting
12 on an Internet website does not prohibit a district from conducting
13 the meeting if the notice required by Section 551.054(a)(1),
14 Government Code, is posted timely and properly.

ADOPTED

YV
MAY 24 2023

Katey Saw
Secretary of the Senate

FLOOR AMENDMENT NO. 3

BY: *Bryan Cright*

1 Amend C.S.H.B. No. 2815 (senate committee report) as follows:

2 (1) In SECTION 25 of the bill, in the repealer, insert the
3 following appropriately numbered subdivisions:

4 () Sections 49.452(b), (c), (d), and (e), Water Code;

5 () Sections 49.455(f) and (h), Water Code;

6 (2) Add the following appropriately numbered SECTIONS to the
7 bill and renumber subsequent SECTIONS of the bill accordingly:

8 SECTION ____ . Section 49.452, Water Code, is amended by
9 amending Subsection (a) and adding Subsections (a-1) and (a-2) to
10 read as follows:

11 (a) In this section, "district" means a district:

12 (1) governed by Chapter 375, Local Government Code; or

13 (2) [(-1) Any person who proposes to sell or convey
14 real property located in a district] created under this title or
15 by a special Act of the legislature that:

16 (A) is providing or proposing to provide, as the
17 district's principal function, water, sanitary sewer, drainage,
18 and flood control or protection facilities or services, or any of
19 these facilities or services that have been financed or are
20 proposed to be financed with bonds of the district payable in whole
21 or part from taxes of the district, or by imposition of a standby
22 fee, if any, to household or commercial users, other than
23 agricultural, irrigation, or industrial users; [7] and

24 (B) [which district] includes less than all the
25 territory in at least one county and which, if located within the

1 corporate area of a city, includes less than 75 percent of the
2 incorporated area of the city or which is located outside the
3 corporate area of a city in whole or in substantial part [~~7~~ ~~must~~
4 ~~first give to the purchaser the written notice provided in this~~
5 ~~section~~].

6 (a-1) A person who proposes to sell or convey real property
7 located in a district must give to the purchaser the written notice
8 as provided by this section and Section 49.4521.

9 (a-2) [~~2~~] The provisions of this section are [~~shall~~] not
10 [~~be~~] applicable to:

11 (1) [~~A~~] transfers of title under any type of lien
12 foreclosure;

13 (2) [~~B~~] transfers of title by deed in cancellation of
14 indebtedness secured by a lien upon the property conveyed;

15 (3) [~~C~~] transfers of title by reason of a will or
16 probate proceedings; [~~or~~]

17 (4) [~~D~~] transfers of title to a governmental entity;
18 or

19 (5) transfers of title for the purpose of qualifying a
20 director.

21 SECTION ____ . Subchapter M, Chapter 49, Water Code, is
22 amended by adding Section 49.4521 to read as follows:

23 Sec. 49.4521. PRESCRIBED NOTICE TO PURCHASERS. (a) A
24 notice to a purchaser provided under Section 49.452 must include:

25 (1) a title caption in at least a 24-point, bold font
26 stating "NOTICE TO PURCHASER OF SPECIAL TAXING OR ASSESSMENT
27 DISTRICT"; and

1 (2) the following statements, as applicable to the
2 district:

3 (A) "The real property that you are about to
4 purchase is located in the (insert name of district) and may be
5 subject to district taxes or assessments.";

6 (B) "The district may, subject to voter approval,
7 impose taxes and issue bonds. The district may impose an unlimited
8 rate of tax in payment of such bonds.";

9 (C) one of the following, as applicable:

10 (i) "The current rate of the district
11 property tax is (insert current property tax rate) on each \$100 of
12 assessed valuation."; or

13 (ii) "The district has not yet imposed
14 taxes. The projected rate of the district property tax is (insert
15 projected property tax rate) on each \$100 of assessed valuation.";

16 (D) "The district may impose assessments and issue
17 bonds and impose an assessment in payment of such bonds.";

18 (E) one of the following, as applicable:

19 (i) "The rate of the district assessment is
20 (insert current assessment amount) on each \$100 of assessed
21 valuation.";

22 (ii) "The amount of the district assessment
23 on the real property that you are about to purchase is (insert
24 current assessment amount)."; or

25 (iii) "The district has not yet imposed an
26 assessment, but the projected (insert "rate" or "amount", as

1 applicable) of the assessment is (insert projected assessment rate
2 or amount, as applicable).";

3 (F) "The total amounts of bonds payable wholly or
4 partly from (insert "property taxes" or "assessments", as
5 applicable) (insert ", excluding refunding bonds that are
6 separately approved by the voters" or ", excluding any bonds or
7 any portions of bonds issued that are payable solely from revenues
8 received or expected to be received under a contract with a
9 governmental entity", as applicable), approved by the voters are:

10 (i) \$(insert amount) for water, sewer, and
11 drainage facilities;

12 (ii) \$(insert amount) for road facilities;

13 (iii) \$(insert amount) for parks and
14 recreational facilities; and

15 (iv) \$(insert amount) for (description of
16 additional facilities, as applicable).";

17 (G) "The aggregate initial principal amounts of
18 all such bonds issued are:

19 (i) \$(insert amount) for water, sewer, and
20 drainage facilities;

21 (ii) \$(insert amount) for road facilities;

22 (iii) \$(insert amount) for parks and
23 recreational facilities; and

24 (iv) \$(insert amount) for (description of
25 additional facilities, as applicable).";

26 (H) "The district sought and obtained approval of
27 the Texas Commission on Environmental Quality to adopt and impose

1 a standby fee. The amount of the standby fee is \$(insert amount
2 of standby fee). An unpaid standby fee is a personal obligation
3 of the person that owned the property at the time of imposition
4 and is secured by a lien on the property. Any person may request
5 a certificate from the district stating the amount, if any, of
6 unpaid standby fees on a tract of property in the district.";

7 (I) if applicable, one of the following:

8 (i) "The district is located wholly or partly
9 in the extraterritorial jurisdiction of the City of (insert name
10 of the municipality). Texas law governs the ability of a
11 municipality to annex property in the municipality's
12 extraterritorial jurisdiction and whether a district that is
13 annexed by the municipality is dissolved."; or

14 (ii) "The district is located wholly or
15 partly within the corporate boundaries of the City of (insert name
16 of the municipality). The municipality and the district overlap,
17 but may not provide duplicate services or improvements. Property
18 located in the municipality and the district is subject to taxation
19 by the municipality and the district.";

20 (J) "The district has entered into a strategic
21 partnership agreement with the City of (insert name of the
22 municipality). This agreement may address the timeframe, process,
23 and procedures for the municipal annexation of the area of the
24 district located in the municipality's extraterritorial
25 jurisdiction.";

26 (K) "The purpose of the district is to provide
27 (insert water, sewer, drainage, flood control, firefighting, road,

1 parks and recreational, or other type of facilities or services,
2 as applicable) facilities and services. The cost of district
3 facilities is not included in the purchase price of your
4 property.";

5 (L) "PURCHASER IS ADVISED THAT THE INFORMATION
6 SHOWN ON THIS FORM IS SUBJECT TO CHANGE BY THE DISTRICT AT ANY
7 TIME. THE DISTRICT ANNUALLY ESTABLISHES TAX RATES. PURCHASER IS
8 ADVISED TO CONTACT THE DISTRICT TO DETERMINE THE STATUS OF ANY
9 CURRENT OR PROPOSED CHANGES TO THE INFORMATION SHOWN ON THIS
10 FORM."; and

11 (M) "The undersigned purchaser hereby
12 acknowledges receipt of the foregoing notice at or before the
13 execution of a binding contract for the purchase of the real
14 property or at closing of purchase of the real property.".

15 (b) The district shall omit or edit for accuracy statements
16 not applicable to the district, as determined by the district.

17 (c) The notice must be dated and executed by the seller and
18 the purchaser.

19 (d) If the law is amended and causes inaccuracies in the
20 content of the notice, the district shall revise the content of
21 the notice to accurately reflect current law.

22 SECTION ____ . Section 49.453, Water Code, is amended by
23 adding Subsection (e) to read as follows:

24 (e) A district required to maintain an Internet website or
25 have access to a generally accessible Internet website under
26 Section 26.18, Tax Code, shall post or create a process for posting

1 the district's notice to purchasers under Section 49.4521 on the
2 applicable Internet website.

3 SECTION ____ . Section 49.455(c), Water Code, is amended to
4 read as follows:

5 (c) The information form [~~and map or plat~~] required by this
6 section shall be signed by a majority of the members of the board
7 and by each such officer affirmed and acknowledged before it is
8 filed with the county clerk, and each amendment made to an
9 information form [~~or map~~] shall also be signed by the members of
10 the board and by each such officer affirmed and acknowledged before
11 it is filed with the county clerk.

12 SECTION ____ . Section 3919.205(d), Special District Local
13 Laws Code, is amended to read as follows:

14 (d) The district shall generate and implement a program to
15 provide notice modeled on the notice described by Section 49.4521
16 [~~49.452(e)~~], Water Code, to a prospective purchaser of property in
17 the district of the assessments that have been approved and are
18 imposed by the district.

19 SECTION ____ . (a) Section 49.452, Water Code, as amended by
20 this Act, and Section 49.4521, Water Code, as added by this Act,
21 apply only to notice given to a purchaser of real property within
22 a water district on or after the effective date of this
23 Act. Notice given to a purchaser before the effective date is
24 governed by the law in effect at the time the notice was given,
25 and that law is continued in effect for that purpose.

26 (b) Section 49.455, Water Code, as amended by this Act,
27 applies only to an information form filed on or after the effective

1 date of this Act. An information form filed before the effective
2 date of this Act is governed by the law in effect on the date the
3 form was filed, and that law is continued in effect for that
4 purpose.

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

May 25, 2023

TO: Honorable Dade Phelan, Speaker of the House, House of Representatives

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB2815 by Jetton (Relating to the powers, authorities, duties, and responsibilities of certain conservation and reclamation districts.), **As Passed 2nd House**

No significant fiscal implication to the State is anticipated.

It is assumed that any fiscal impact, including any impact on state correctional populations or on the demand for state correctional resources related to the bill's repeal of a misdemeanor offense, would not be significant.

Local Government Impact

The fiscal implications of the bill on units of local government cannot be determined at this time due to the impact of additional elections and limitations on bond issuance being unknown. It is assumed that any fiscal impact to units of local government associated with enforcement, prosecution, supervision, or confinement related to the bill's repeal of a misdemeanor offense would not be significant.

Source Agencies:

LBB Staff: JMc, AF, CMA

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

May 20, 2023

TO: Honorable Paul Bettencourt, Chair, Senate Committee on Local Government

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB2815 by Jetton (relating to the powers, authorities, duties, and responsibilities of certain conservation and reclamation districts.), **Committee Report 2nd House, Substituted**

No significant fiscal implication to the State is anticipated.

It is assumed that any costs associated with the bill could be absorbed using existing resources.

Local Government Impact

The fiscal implications of the bill on local government cannot be determined at this time due to the impact of additional elections and limitations on bond issuance being unknown.

Source Agencies: 582 Commission on Environmental Quality

LBB Staff: JMc, AF, KDw, MW, DKN

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

May 17, 2023

TO: Honorable Paul Bettencourt, Chair, Senate Committee on Local Government

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB2815 by Jetton (Relating to the powers, authorities, duties, and responsibilities of certain conservation and reclamation districts.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

It is assumed that any costs associated with the bill could be absorbed using existing resources.

Local Government Impact

The fiscal implications of the bill on local government cannot be determined at this time due to the impact of additional elections and limitations on bond issuance being unknown.

Source Agencies: 582 Commission on Environmental Quality

LBB Staff: JMc, AF, KDw, MW, DKN

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

May 7, 2023

TO: Honorable Tracy O. King, Chair, House Committee on Natural Resources

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: **HB2815** by Jetton (relating to the powers, authorities, duties, and responsibilities of certain conservation and reclamation districts.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

It is assumed that any costs associated with the bill could be absorbed using existing resources.

Local Government Impact

The fiscal implications of the bill on local government cannot be determined at this time due to the impact of additional elections and limitations on bond issuance and eminent domain powers being unknown.

Source Agencies: 582 Commission on Environmental Quality

LBB Staff: JMc, KDw, MW, DKN

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

April 22, 2023

TO: Honorable Tracy O. King, Chair, House Committee on Natural Resources

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB2815 by Jetton (Relating to the powers, authorities, duties, and responsibilities of water districts.),
As Introduced

No significant fiscal implication to the State is anticipated.

It is assumed that any costs associated with the bill could be absorbed using existing resources.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 582 Commission on Environmental Quality

LBB Staff: JMc, KDw, MW, DKN