

BILL ANALYSIS

Senate Research Center

S.B. 2014
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Intergovernmental Relations
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Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.B. 2014 amends current law relating to the administration of certain water districts.

[**Note:** While the statutory reference in this bill is to the Texas Natural Resource Conservation Commission (TNRCC), the following amendments affect the Texas Commission on Environmental Quality, as the successor agency to TNRCC.]

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 49.181, Water Code, by amending Subsection (f) and adding Subsections (i), (j), (k), and (l), as follows:

(f) Requires the Texas Natural Resource Conservation Commission (TNRCC) to determine whether the project to be financed by the bonds is feasible and issue an order either approving or disapproving, as appropriate, the issuance of the bonds. Prohibits TNRCC, if TNRCC determines that an application for the approval of bonds complies with the requirements for financial feasibility and the district submitting the application is not required to comply with rules regarding project completion, from disapproving the issuance of bonds for all or a portion of a project or requiring that the funding for all or a portion of a project be escrowed solely on the basis that the construction of the project is not complete at the time of TNRCC's determination.

(i) Authorizes an application for the approval of bonds under this section (Authority of Commission Over Issuance of District Bonds) to include financing for payment of creation and organization expenses. Provides that expenses are creation and organization expenses if the expenses were incurred through the date of the canvassing of the confirmation election. Provides that a TNRCC rule regarding continuous construction periods or the length of time for the payment of expenses during construction periods does not apply to expenses described by this section.

(j) Requires TNRCC to approve an application to issue bonds to finance the costs of spreading and compacting fill to remove property from the 100-year floodplain made by a levee improvement district if the application otherwise meets all applicable requirements for bond applications.

(k) Requires TNRCC to approve an application to issue bonds to finance the costs of spreading and compacting fill to provide drainage that is made by a municipal utility district or a district with the powers of a municipal utility district if the costs are less than the cost of constructing or improving drainage facilities.

(l) Provides that if a district is approved for the issuance of bonds by TNRCC to use a certain return flow of wastewater, the approval applies to subsequent bond authorizations unless the district seeks approval to use a different return flow of wastewater.

SECTION 2. Amends Section 49.273(i), Water Code, as follows:

(i) Authorizes a board governing the district (board), if changes in plans, specifications, or scope of work are necessary or beneficial to the district, as determined by the board, after the performance of the contract is begun, or if it is necessary or beneficial to the district, as determined by the board, to decrease or increase the quantity of the work to be performed or of the materials, equipment, or supplies to be furnished, to approve change orders making the changes. Authorizes the aggregate of the change orders that increase the original contract price by more than 25 percent to be issued only under certain conditions. Provides that a change order is not subject to the requirements of Subsection (d) (relating to requiring the board to advertise for certain contracts over \$75,000) or (e) (relating to requiring the board to solicit written competitive bids for contracts over \$25,000 but not to exceed \$75,000). Deletes existing text prohibiting the aggregate of the change orders from increasing the original contract price by more than 25 percent. Makes nonsubstantive changes.

SECTION 3. Amends Section 49.302(b), Water Code, as follows:

(b) Requires that a petition requesting the annexation of a defined area signed by a majority in value of the owners of land in the defined area, as shown by the tax rolls of the central appraisal district of the county or counties in which such area is located, rather than is located, or signed by 50 landowners if the number of landowners is more than 50, describe the land by metes and bounds or by lot and block number, if there is a recorded plat of the area.

SECTION 4. Amends Section 54.014, Water Code, to delete existing text providing that if there are more than 50 persons holding title to the land in the proposed district, as indicated by the tax rolls of the central appraisal district, the petition is sufficient if it is signed by 50 holders of title to the land.

SECTION 5. Amends Sections 54.016(a), (b), and (f), Water Code, as follows:

(a) Authorizes TNRCC to approve the creation of a district that includes any portion of the land covered by the city's consent to creation of the district. Authorizes the legislature to create and to validate the creation of a district that includes any portion of the land covered by the city's consent to the creation of the district. Deletes existing text providing that if there are more than 50 persons holding title to the land in the propose district as indicated by the county tax rolls, the request to the city will be sufficient if it is signed by 50 holders of title to the land in the district. Makes nonsubstantive changes.

(b) Authorizes a majority of the electors in the area proposed to be included in the district or the owner or owners of 50 percent or more of the land to be included, if the governing body of a city fails or refuses to grant permission for the inclusion of land within its extraterritorial jurisdiction in a district, including a district created by a special act of the legislature, within 90 days after receipt of a written request, to petition the governing body of the city and request the city to make available to the land the water or sanitary sewer service contemplated to be provided by the district.

(f) Requires that the allocation agreement contain a method by which the district is required to continue to exist following the annexation of all territory within the district by the city, if the district is located, rather than initially located, outside the corporate limits of the city at the time the creation of the district is approved by the district's voters.

SECTION 6. Makes application of Section 54.016(f), Water Code, as amended by this Act, prospective.

SECTION 7. Effective date: September 1, 2017.