

1-1 By: Craddick (Senate Sponsor - Seliger) H.B. No. 101
 1-2 (In the Senate - Received from the House March 27, 2017;
 1-3 April 6, 2017, read first time and referred to Committee on
 1-4 Administration; May 9, 2017, reported favorably by the following
 1-5 vote: Yeas 6, Nays 0; May 9, 2017, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10	X			
1-11			X	
1-12	X			
1-13	X			
1-14	X			

1-15 A BILL TO BE ENTITLED
 1-16 AN ACT

1-17 relating to the development of and contracting for reclaimed water
 1-18 facilities in certain municipalities.

1-19 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-20 SECTION 1. Subchapter B, Chapter 552, Local Government
 1-21 Code, is amended by adding Section 552.024 to read as follows:

1-22 Sec. 552.024. MUNICIPAL CONTRACT FOR RECLAIMED WATER
 1-23 FACILITY IN CERTAIN MUNICIPALITIES. (a) In this section,
 1-24 "reclaimed water project" means the design, construction,
 1-25 equipment, repair, reconstruction, replacement, expansion,
 1-26 operation, or maintenance of:

1-27 (1) a reclaimed water facility with a capacity of not
 1-28 less than 10 million gallons per day to be owned by a municipality;
 1-29 and

1-30 (2) related infrastructure.

1-31 (b) This section applies only to a home-rule municipality
 1-32 that:

1-33 (1) has a population of at least 99,000 and not more
 1-34 than 160,000;

1-35 (2) is located in two counties, only one of which has a
 1-36 population of at least 132,000 and not more than 170,000; and

1-37 (3) owns and operates a water system, sewer system, or
 1-38 combined system.

1-39 (c) A municipality to which this section applies may
 1-40 execute, perform, and make payments under a contract with any
 1-41 person for the development of a reclaimed water project and the
 1-42 provision of water from that project.

1-43 (d) A contract entered into under this section is an
 1-44 obligation of the municipality that:

1-45 (1) may provide that:

1-46 (A) the contract is payable from a pledge of the
 1-47 revenues of the water system, sewer system, or combined system of
 1-48 the municipality; or

1-49 (B) the payments from the municipality are an
 1-50 operating expense of the water system, sewer system, or combined
 1-51 system of the municipality; and

1-52 (2) may not be made payable from ad valorem taxes.

1-53 (e) A contract entered into under this section may:

1-54 (1) be in the form and on the terms considered
 1-55 appropriate by the governing body of the municipality;

1-56 (2) be for the term approved by the governing body of
 1-57 the municipality and contain an option to renew or extend the term;

1-58 (3) provide for the design, construction, and
 1-59 financing of the reclaimed water project by the person with whom the
 1-60 municipality contracts for the development of the reclaimed water
 1-61 project; and

2-1 (4) provide for the provision of reclaimed water for
2-2 industrial purposes at specified rates for the term approved by the
2-3 governing body of the municipality as part of the consideration for
2-4 the acquisition of the reclaimed water project by the municipality.

2-5 (f) If a contract entered into under this section provides
2-6 for the design, construction, and financing of the reclaimed water
2-7 project by the person with whom the municipality contracts:

2-8 (1) a contract procurement or delivery requirement
2-9 applicable to the municipality does not apply to the reclaimed
2-10 water project; and

2-11 (2) Chapter 2254, Government Code, does not apply to
2-12 the reclaimed water project.

2-13 (g) Subchapter I, Chapter 271, applies to a written contract
2-14 entered into under this section as if the contract were a contract
2-15 described by Section 271.151(2).

2-16 (h) To the extent of a conflict with another statute or
2-17 municipal charter provision or ordinance, this section controls.

2-18 (i) The validity or enforceability of a contract entered
2-19 into under this section by a municipality is not affected if, after
2-20 the contract is entered into, the municipality no longer meets the
2-21 requirements described by Subsection (b).

2-22 SECTION 2. This Act applies to a contract entered into
2-23 before the effective date of this Act that is made contingent on
2-24 this Act taking effect.

2-25 SECTION 3. This Act takes effect immediately if it receives
2-26 a vote of two-thirds of all the members elected to each house, as
2-27 provided by Section 39, Article III, Texas Constitution. If this
2-28 Act does not receive the vote necessary for immediate effect, this
2-29 Act takes effect September 1, 2017.

2-30

* * * * *