

1-1 By: Taylor of Galveston S.B. No. 2265  
1-2 (In the Senate - Filed April 3, 2017; April 4, 2017, read  
1-3 first time and referred to Committee on Intergovernmental  
1-4 Relations; April 26, 2017, reported adversely, with favorable  
1-5 Committee Substitute by the following vote: Yeas 7, Nays 0;  
1-6 April 26, 2017, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			

1-16 COMMITTEE SUBSTITUTE FOR S.B. No. 2265 By: Bettencourt

1-17 A BILL TO BE ENTITLED  
1-18 AN ACT

1-19 relating to the Gulf Coast Waste Disposal Authority and expanding  
1-20 the territory and powers of the authority; authorizing fees and the  
1-21 issuance of bonds.

1-22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-23 SECTION 1. Section 1.01, Chapter 409, Acts of the 61st  
1-24 Legislature, Regular Session, 1969, is amended to read as follows:

1-25 Sec. 1.01. PURPOSE. The purpose of this Act is to:

1-26 (1) establish an instrumentality for developing and  
1-27 effectuating for the upper Gulf Coast region in this state  
1-28 [Chambers, Galveston, and Harris Counties] a regional water quality  
1-29 management program including provision of waste disposal and water  
1-30 systems and regulation of disposal of wastes; and

1-31 (2) establish an instrumentality for operating and  
1-32 maintaining a coastal barrier constructed with federal funds to  
1-33 protect the upper Gulf Coast region in this state from  
1-34 hurricane-induced storm surges.

1-35 SECTION 2. Section 1.02, Chapter 409, Acts of the 61st  
1-36 Legislature, Regular Session, 1969, is amended to read as follows:

1-37 Sec. 1.02. FINDINGS AND DECLARATION OF POLICY. The  
1-38 legislature finds [It is hereby found and declared] that:

1-39 (1) the quality of waters in the upper Gulf Coast  
1-40 region in this state [Chambers, Galveston, and Harris Counties] is  
1-41 materially affected by the disposal of wastes [throughout these  
1-42 counties];

1-43 (2) [that] regional approaches to studying water  
1-44 pollution in that region [these counties], [to] planning corrective  
1-45 and preventive measures, [to] providing coordinated facilities for  
1-46 waste disposal, and [to] regulating waste disposal would be far  
1-47 more effective than efforts on a county-wide, city-wide, or smaller  
1-48 scale;

1-49 (3) [that] solid wastes, as well as other kinds of  
1-50 waste, may impair water quality by seepage, drainage, and  
1-51 otherwise;

1-52 (4) [that] creation of the Gulf Coast Waste Disposal  
1-53 Authority would advance the established policy of the state to  
1-54 maintain the quality of the waters in the state consistent with the  
1-55 public health and public enjoyment thereof, the propagation and  
1-56 protection of terrestrial and aquatic life, the operation of  
1-57 existing industries, and the economic development of the state;

1-58 (5) [and that] impending shortage of water in the  
1-59 district for beneficial uses requires that all reasonable measures  
1-60 be taken to prevent and abate water pollution, and to reclaim

2-1 polluted water for beneficial uses; and  
 2-2 (6) the territory in the upper Gulf Coast region in  
 2-3 this state is vulnerable to damage from hurricane-induced storm  
 2-4 surges and that granting the Gulf Coast Waste Disposal Authority  
 2-5 the power to operate and maintain a coastal barrier constructed  
 2-6 with federal funds would advance the public purpose of protecting  
 2-7 the upper Gulf Coast region in this state from hurricane-induced  
 2-8 storm surges.

2-9 SECTION 3. Section 1.03(a), Chapter 409, Acts of the 61st  
 2-10 Legislature, Regular Session, 1969, is amended by adding  
 2-11 Subdivision (24) to read as follows:

2-12 (24) "Coastal spine" means a coastal barrier to  
 2-13 protect the upper Gulf Coast region in this state from  
 2-14 hurricane-induced storm surges.

2-15 SECTION 4. Section 2.02, Chapter 409, Acts of the 61st  
 2-16 Legislature, Regular Session, 1969, is amended to read as follows:

2-17 Sec. 2.02. DESCRIPTION. (a) Except as provided by  
 2-18 Subsection (b) of this section, the [The] authority's territory  
 2-19 consists of [the area inside the boundaries of] Chambers,  
 2-20 Galveston, and Harris Counties.

2-21 (b) On the date the authority adopts a resolution under  
 2-22 Section 3A.01 of this Act stating that the requirements of that  
 2-23 section have been met, the authority's territory consists of  
 2-24 Brazoria, Chambers, Galveston, Harris, Jefferson, and Orange  
 2-25 Counties.

2-26 (c) The Legislature declares that all the area included in  
 2-27 the authority's territory [district] will be benefited by the  
 2-28 exercise of the powers conferred by this Act.

2-29 SECTION 5. Section 2.03, Chapter 409, Acts of the 61st  
 2-30 Legislature, Regular Session, 1969, is amended by amending  
 2-31 Subsections (b) and (e) and adding Subsections (f), (g), and (h) to  
 2-32 read as follows:

2-33 (b) Except as provided by Subsection (g) of this section,  
 2-34 the [The] board consists of nine voting directors.

2-35 (e) The [From each county within the district, the]  
 2-36 municipalities waste disposal councils [council] of Chambers,  
 2-37 Galveston, and Harris Counties each [that county, hereinafter  
 2-38 created,] shall appoint one director.

2-39 (f) The board may appoint one or more persons to the board to  
 2-40 serve as nonvoting directors for any term.

2-41 (g) On the date the authority adopts a resolution under  
 2-42 Section 3A.01 of this Act stating that the requirements of that  
 2-43 section have been met, the board consists of 18 voting directors.

2-44 (h) If the board consists of 18 voting directors, as  
 2-45 provided by Subsection (g) of this section, in addition to  
 2-46 appointments made under Subsections (c), (d), and (e) of this  
 2-47 section, the appointment councils of Brazoria, Jefferson, and  
 2-48 Orange Counties each shall appoint one voting director.

2-49 SECTION 6. Section 2.05, Chapter 409, Acts of the 61st  
 2-50 Legislature, Regular Session, 1969, is amended by amending  
 2-51 Subsections (a) and (c) and adding Subsections (a-1), (a-2), (c-1),  
 2-52 (c-2), and (g) to read as follows:

2-53 (a) A director's term of office shall be two years,  
 2-54 commencing September 1 of the year in which the director is  
 2-55 appointed [of his appointment, except that four directors of the  
 2-56 first board shall have one-year terms, in order to obtain staggered  
 2-57 terms. When the directors have been appointed, they shall draw lots  
 2-58 to determine which have one-year terms].

2-59 (a-1) If the board has nine voting directors, as provided by  
 2-60 Section 2.03(b) of this Act, the directors' terms must be staggered  
 2-61 so that the terms of not more than five directors expire in a single  
 2-62 year.

2-63 (a-2) If the board has 18 voting directors, as provided by  
 2-64 Section 2.03(g) of this Act, the directors' terms must be staggered  
 2-65 so that the terms of not more than 10 directors expire in a single  
 2-66 year.

2-67 (c) There are [hereby] created:

2-68 (1) the Municipalities Waste Disposal Council of  
 2-69 Chambers County, [which shall be] composed of the mayors of each and

3-1 all of the incorporated cities and towns the city hall of which is  
3-2 situated within Chambers County;

3-3 (2) the Municipalities Waste Disposal Council of  
3-4 Galveston County, [~~which shall be~~] composed of the mayors of each  
3-5 and all of the incorporated cities and towns the city hall of which  
3-6 is situated within Galveston County; and

3-7 (3) the Municipalities Waste Disposal Council of  
3-8 Harris County, [~~which shall be~~] composed of the mayors of each and  
3-9 all of the incorporated cities and towns the city hall of which is  
3-10 situated within Harris County.

3-11 (c-1) On the date the authority adopts a resolution under  
3-12 Section 3A.01 of this Act stating that the requirements of that  
3-13 section have been met, there are created:

3-14 (1) the Appointment Council of Brazoria County,  
3-15 composed of the mayors of the municipalities in Brazoria County;

3-16 (2) the Appointment Council of Jefferson County,  
3-17 composed of the mayors of the municipalities in Jefferson County;  
3-18 and

3-19 (3) the Appointment Council of Orange County, composed  
3-20 of the mayors of the municipalities in Orange County.

3-21 (c-2) The sole function of the [~~these~~] councils created  
3-22 under Subsections (c) and (c-1) of this section is [~~shall be~~] the  
3-23 selection of directors. Each [~~The temporary chairman of each~~  
3-24 council shall be the mayor of the county seat. Promptly after this  
3-25 Act becomes effective, each municipalities waste disposal council  
3-26 shall meet at a time and place designated by its temporary chairman  
3-27 after notice of the time and place of that meeting has been mailed  
3-28 by the temporary chairman to each member of the council at least 48  
3-29 hours prior to the time fixed for the meeting. At that meeting,  
3-30 the] council shall elect a chairman, vice-chairman, and secretary,  
3-31 and shall adopt such bylaws relating to the conduct of its affairs  
3-32 as the council shall determine to be necessary.

3-33 (g) Subsection (f) of this section governs the appointment  
3-34 of directors by appointment councils created under Subsection (c-1)  
3-35 of this section in the same way that Subsection (f) of this section  
3-36 governs appointments by municipal waste disposal councils.

3-37 SECTION 7. Subchapter 2, Chapter 409, Acts of the 61st  
3-38 Legislature, Regular Session, 1969, is amended by adding Section  
3-39 2.17 to read as follows:

3-40 Sec. 2.17. ADVISORY BOARD. (a) The Coastal Spine Advisory  
3-41 Board shall advise the authority board during the construction of a  
3-42 coastal spine that is to be operated and maintained by the authority  
3-43 on matters related to the operation and maintenance of the coastal  
3-44 spine.

3-45 (b) The advisory board is not required to be appointed or to  
3-46 meet unless the authority has adopted a resolution under Section  
3-47 3A.01 of this Act stating that the requirements of that section have  
3-48 been met.

3-49 (c) The advisory board is composed of seven members as  
3-50 follows:

3-51 (1) one member appointed by the governor;

3-52 (2) one member appointed by the lieutenant governor;

3-53 (3) one member appointed by the speaker of the house of  
3-54 representatives;

3-55 (4) one member appointed by the Texas Commission on  
3-56 Environmental Quality;

3-57 (5) one member appointed by the Parks and Wildlife  
3-58 Commission;

3-59 (6) the commissioner of the General Land Office, or  
3-60 the commissioner's designee; and

3-61 (7) one member of the authority board chosen by the  
3-62 authority board.

3-63 (d) The advisory board is not authorized to act on behalf of  
3-64 the authority without the approval of the authority board.

3-65 (e) The advisory board shall:

3-66 (1) select from among its members a presiding officer;  
3-67 and

3-68 (2) adopt provisions to determine the terms of board  
3-69 members and stagger the members' terms and other provisions

4-1 necessary to administer the board.

4-2 (f) An advisory board member is not entitled to  
4-3 reimbursement of expenses or to compensation.

4-4 (g) The advisory board may appoint one or more persons to  
4-5 the advisory board to serve as nonvoting members.

4-6 (h) If the authority board determines that construction of a  
4-7 coastal spine is complete:

4-8 (1) the advisory board is abolished as of the date the  
4-9 authority board makes the determination; and

4-10 (2) the authority board shall notify each appointing  
4-11 person and entity named in Subsection (c) of this section that the  
4-12 advisory board is abolished.

4-13 SECTION 8. Chapter 409, Acts of the 61st Legislature,  
4-14 Regular Session, 1969, is amended by adding Subchapter 3A to read as  
4-15 follows:

4-16 SUBCHAPTER 3A. COASTAL SPINE

4-17 Sec. 3A.01. COASTAL SPINE CONTINGENT ON FEDERAL FUNDING AND  
4-18 FINDING OF SUFFICIENT REVENUE. The authority may not begin to  
4-19 operate or maintain a coastal spine, exercise a power granted to the  
4-20 authority under this subchapter, or otherwise exercise a power  
4-21 granted to the authority by this Act in support of the operation or  
4-22 maintenance of a coastal spine unless:

4-23 (1) the federal government approves money for the  
4-24 construction of a coastal spine in this state;

4-25 (2) the authority determines that the authority's  
4-26 revenue sources, or projected revenue sources, authorized for use  
4-27 for the operation and maintenance of a coastal spine under Section  
4-28 3A.03 of this Act are sufficient to cover the cost of operating and  
4-29 maintaining a coastal spine; and

4-30 (3) the authority adopts a resolution stating that the  
4-31 requirements of Subdivisions (1) and (2) of this section have been  
4-32 met and submits a copy of the resolution to the legislature.

4-33 Sec. 3A.02. GENERAL POWERS AND DUTIES. (a) The authority  
4-34 is authorized to operate and maintain a coastal spine in the manner  
4-35 provided by this subchapter.

4-36 (b) The authority may exercise a power granted to the  
4-37 authority by Subchapter 3 of this Act to support the operation and  
4-38 maintenance of a coastal spine.

4-39 (c) A duty assigned to the authority under Subchapter 3 of  
4-40 this Act that relates to the authority's duty to develop and  
4-41 effectuate a regional water quality management program does not  
4-42 apply to the operation or maintenance of a coastal spine by the  
4-43 authority unless otherwise provided by this subchapter.

4-44 (d) A coastal spine may be operated and maintained inside or  
4-45 outside the territory of the authority.

4-46 (e) The authority may convey material and rights produced or  
4-47 acquired during the operation or maintenance of a coastal spine,  
4-48 including spoil, dredged material, and development rights.

4-49 (f) The authority may:

4-50 (1) apply for a permit for an activity related to the  
4-51 operation or maintenance of a coastal spine; and

4-52 (2) seek other necessary approvals for the operation  
4-53 or maintenance of a coastal spine from a state or federal agency.

4-54 Sec. 3A.03. USE OF FUNDS FOR COASTAL SPINE. The authority  
4-55 may operate and maintain a coastal spine using money available to  
4-56 the authority, including tax revenue, only if the money is not  
4-57 related to the authority's waste disposal, pollution control,  
4-58 wastewater treatment, water reuse, water systems, or solid waste  
4-59 operations.

4-60 Sec. 3A.04. MASTER PLAN. (a) In addition to the master  
4-61 plan developed under Section 3.10 of this Act, the authority shall  
4-62 develop, prepare, and revise, as needed, a master plan for the  
4-63 operation and maintenance of a coastal spine.

4-64 (b) The authority shall submit the first master plan and any  
4-65 revised versions of the master plan to the General Land Office  
4-66 before implementing the plan. The General Land Office may approve  
4-67 or disapprove a plan submitted under this section. If the General  
4-68 Land Office does not issue a decision on a plan submitted under this  
4-69 section before the 31st day after the date the General Land Office

5-1 receives the plan, the plan is considered to be approved.  
5-2 Sec. 3A.05. ACQUISITION. The authority may:  
5-3 (1) purchase, lease, acquire by gift, maintain, use,  
5-4 and operate facilities and systems related to the operation or  
5-5 maintenance of a coastal spine; and  
5-6 (2) acquire permits, licenses, and rights related to  
5-7 the operation or maintenance of a coastal spine.  
5-8 Sec. 3A.06. CONTRACTS. (a) The authority may make  
5-9 contracts and execute instruments that are necessary or convenient  
5-10 to the exercise of its powers, rights, duties, and functions under  
5-11 this subchapter. The authority is authorized to execute all  
5-12 appropriate documents and instruments in connection with the  
5-13 contracts.  
5-14 (b) The authority may enter into contracts for a purpose  
5-15 related to the operation or maintenance of a coastal spine in the  
5-16 manner that a municipal management district may enter into  
5-17 contracts under Chapter 375, Local Government Code, as amended.  
5-18 (c) The authority and all persons are authorized to enter  
5-19 into contracts with respect to the operation or maintenance of a  
5-20 coastal spine.  
5-21 (d) A public agency or local government is authorized to:  
5-22 (1) enter into a contract with the authority;  
5-23 (2) determine, agree, and pledge that all or any part  
5-24 of its payments under a contract with the authority shall be payable  
5-25 from any source, subject only to the authorization by a majority  
5-26 vote of the governing body of such public agency or local government  
5-27 of the contract, pledge, and payments;  
5-28 (3) use and pledge any available revenues or resources  
5-29 for and to the payment of amounts due under a contract with the  
5-30 authority as an additional source of payment or as the sole source  
5-31 of payment and agree with the authority to assure the availability  
5-32 of revenue and resources when required; and  
5-33 (4) fix, charge, and collect impact fees and utility  
5-34 charges, if the public agency or local government is otherwise  
5-35 authorized to impose the fees and charges, and to use and pledge  
5-36 revenue from the fees or charges to make payments to the authority  
5-37 required under a contract with the authority.  
5-38 (e) The authority and another governmental entity may enter  
5-39 into a contract for the operation or maintenance of a coastal spine  
5-40 in the same way that a political subdivision may contract with  
5-41 another governmental entity under Chapter 472, Transportation  
5-42 Code, to construct or maintain a road or highway.  
5-43 (f) Notwithstanding Section 3.23(a) of this Act, a contract  
5-44 related to the operation or maintenance of a coastal spine may be  
5-45 for any term if the contract is approved by the General Land Office.  
5-46 Sec. 3A.07. AGREEMENTS. (a) The authority may enter into  
5-47 a cooperative agreement with a political subdivision, state agency,  
5-48 or federal agency for a purpose related to the operation or  
5-49 maintenance of a coastal spine.  
5-50 (b) The authority may enter into an interlocal agreement  
5-51 with a political subdivision for a purpose related to the operation  
5-52 or maintenance of a coastal spine.  
5-53 Sec. 3A.08. DEVELOPMENT CORPORATION POWERS. (a) The  
5-54 authority may act as a unit, as defined by Section 501.002, Local  
5-55 Government Code, to create a development corporation for a purpose  
5-56 related to the operation or maintenance of a coastal spine.  
5-57 (b) This section does not authorize the authority to impose  
5-58 a sales tax.  
5-59 Sec. 3A.09. LOCAL GOVERNMENT CORPORATION POWERS. (a) The  
5-60 board by resolution may authorize the creation of a nonprofit  
5-61 corporation to assist and act for the authority in operating or  
5-62 maintaining a coastal spine.  
5-63 (b) The nonprofit corporation:  
5-64 (1) has each power of and is considered to be a local  
5-65 government corporation created under Subchapter D, Chapter 431,  
5-66 Transportation Code, as amended, including for the purposes of  
5-67 Section 431.105, Transportation Code; and  
5-68 (2) may implement a project related to the operation  
5-69 or maintenance of a coastal spine.

6-1           (c) The board shall appoint the board of directors of the  
 6-2 nonprofit corporation. The board of directors of the nonprofit  
 6-3 corporation shall serve in the same manner as the board of directors  
 6-4 of a local government corporation created under Subchapter D,  
 6-5 Chapter 431, Transportation Code, as amended.

6-6           SECTION 9. Section 5.01(a), Chapter 409, Acts of the 61st  
 6-7 Legislature, Regular Session, 1969, is amended to read as follows:

6-8           (a) For the purpose of carrying out any power or authority  
 6-9 conferred by this Act, including the expense of preparing the  
 6-10 master plan and the payment of engineering and other expenses in  
 6-11 connection therewith, the authority is empowered to issue its bonds  
 6-12 in three general classes:

6-13           (1) bonds secured by ad valorem taxes;

6-14           (2) bonds secured by a pledge of all or part of the  
 6-15 revenues accruing to the authority, including ~~[without limitation]~~  
 6-16 those received from:

6-17           (A) sale of water or other products;

6-18           (B) ~~[r]~~ rendition of service;

6-19           (C) ~~[r]~~ tolls;

6-20           (D) ~~[r]~~ charges;

6-21           (E) a contract entered into with a city or other  
 6-22 governmental agency, authority, or district related to the  
 6-23 operation or maintenance of a coastal spine;~~[r]~~ and

6-24           (F) ~~[from]~~ all other sources other than ad  
 6-25 valorem taxes; and

6-26           (3) bonds secured by a combination pledge of all or  
 6-27 part of the revenues described in Subdivision (2) of this  
 6-28 subsection~~[r]~~ and taxes.

6-29           SECTION 10. Subchapter 5, Chapter 409, Acts of the 61st  
 6-30 Legislature, Regular Session, 1969, is amended by adding Section  
 6-31 5.10 to read as follows:

6-32           Sec. 5.10. CATASTROPHE BONDS. A corporation created by the  
 6-33 authority under Section 3A.08 or 3A.09 of this Act may issue a  
 6-34 security with a condition that the corporation's obligation to pay  
 6-35 interest or repay the principal is deferred or forgiven if the  
 6-36 corporation suffers a loss from a particular predefined  
 6-37 catastrophe.

6-38           SECTION 11. If the territory of the Gulf Coast Waste  
 6-39 Disposal Authority is expanded, the initial directors from  
 6-40 Brazoria, Jefferson, and Orange Counties under Sections 2.03 and  
 6-41 2.05, Chapter 409, Acts of the 61st Legislature, Regular Session,  
 6-42 1969, as amended by this Act, shall draw lots to determine which  
 6-43 director or directors will serve one-year terms and which will  
 6-44 serve two-year terms to fulfill the staggered terms requirement of  
 6-45 Section 2.05, Chapter 409, Acts of the 61st Legislature, Regular  
 6-46 Session, 1969, as amended by this Act.

6-47           SECTION 12. If the territory of the Gulf Coast Waste  
 6-48 Disposal Authority is expanded, the temporary chairman of each  
 6-49 appointment council created under Section 2.05(c-1), Chapter 409,  
 6-50 Acts of the 61st Legislature, Regular Session, 1969, as added by  
 6-51 this Act, for Brazoria, Jefferson, and Orange Counties shall be the  
 6-52 mayor of the county seat for that county. Promptly after the date  
 6-53 the councils are created, each council shall meet at a time and  
 6-54 place designated by the temporary chairman to elect a chairman,  
 6-55 vice-chairman, and secretary and adopt bylaws relating to the  
 6-56 conduct of council affairs.

6-57           SECTION 13. (a) The legal notice of the intention to  
 6-58 introduce this Act, setting forth the general substance of this  
 6-59 Act, has been published as provided by law, and the notice and a  
 6-60 copy of this Act have been furnished to all persons, agencies,  
 6-61 officials, or entities to which they are required to be furnished  
 6-62 under Section 59, Article XVI, Texas Constitution, and Chapter 313,  
 6-63 Government Code.

6-64           (b) The governor, one of the required recipients, has  
 6-65 submitted the notice and Act to the Texas Commission on  
 6-66 Environmental Quality.

6-67           (c) The Texas Commission on Environmental Quality has filed  
 6-68 its recommendations relating to this Act with the governor,  
 6-69 lieutenant governor, and speaker of the house of representatives

7-1 within the required time.

7-2 (d) All requirements of the constitution and laws of this  
7-3 state and the rules and procedures of the legislature with respect  
7-4 to the notice, introduction, and passage of this Act have been  
7-5 fulfilled and accomplished.

7-6 SECTION 14. This Act takes effect immediately if it  
7-7 receives a vote of two-thirds of all the members elected to each  
7-8 house, as provided by Section 39, Article III, Texas Constitution.  
7-9 If this Act does not receive the vote necessary for immediate  
7-10 effect, this Act takes effect September 1, 2017.

7-11

\* \* \* \* \*