

By: Geren

H.B. No. 2639

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the powers and duties of the Tarrant Regional Water
3 District, a Water Control and Improvement District.

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

5 SECTION 1. Chapter 268, Acts of the 55th Legislature,
6 Regular Session, 1957, is amended by amending Sections 17 as
7 follows:

8 Sec. 17. (a) The district may make and enforce reasonable
9 rules, permits, orders, and ordinances necessary to accomplish the
10 district's authorized purposes, including:

11 (1) to secure and maintain safe, sanitary, and
12 adequate plumbing installations, connections, and appurtenances as
13 subsidiary parts of sanitary sewer systems;

14 (2) to preserve the sanitary condition of all land and
15 water controlled by the district;

16 (3) to prevent the waste or unauthorized use of water;

17 (4) to regulate residing, hunting, fishing, boating,
18 and camping, and all recreational and business privileges on any
19 body or stream of water, or any body of land, or any easement owned
20 or controlled by the district;

21 (5) to regulate privileges on any land, easement, or
22 property interest adjoining a reservoir or other property of the
23 district to prevent activities on such adjoining land, easement, or
24 property interest that could adversely affect the purity of water

1 in this state; and

2 (6) to promote state or local economic development and
3 to stimulate business and commercial activity in the district.

4 SECTION 2. Chapter 268, Acts of the 55th Legislature,
5 Regular Session, 1957, is amended by amending Sections 18 as
6 follows:

7 Sec. 18. (a) The district may provide for or participate in
8 the acquisition, construction, development, operation, or
9 maintenance of recreational facilities, and facilities intended to
10 foster and promote state or local economic development and
11 otherwise engage in activities intended to stimulate business and
12 commercial activity in the district to the full extent authorized
13 by Section 59, Article XVI, Texas Constitution, Water Code, or
14 other applicable law. The district may provide for the making of
15 loans or grants of money for economic development purposes as
16 outlined in Section 52(a), Art. III, Texas Constitution. For
17 purposes of this Section, recreation and economic development,
18 including the exercise of the power of eminent domain for such
19 purposes, are declared to be public, useful purposes and matters of
20 public necessity, and governmental functions, in accordance with
21 Sec. 59(a), Art. XVI, Texas Constitution. In connection therewith,
22 the Legislature finds that the power to promote economic
23 development authorizes the district to acquire the fee simple or
24 lesser estates in land for its own uses or for the sale or lease of
25 same as part of a reclamation, economic development, or water
26 control or development project. A determination by the board of the
27 directors of the district that a public works project is intended

1 and expected to conserve and develop the natural resources of this
2 state, or will promote recreation or economic development, or for
3 the control, storing, preservation, development, and distribution
4 of its storm and flood waters, and the waters of its rivers and
5 streams, is conclusive with respect to whether the program serves
6 the purposes for which the district was created or authorized.

7 (b) (1) The board of directors of the district may by
8 resolution create one or more nonprofit corporations to act on
9 behalf of the district as its authority and instrumentality.

10 (2) The Texas Non-Profit Corporation Act (Article
11 1396-1.01 et seq., Vernon's Texas Civil Statutes, as amended)
12 applies to a corporation created under this subsection except to
13 the extent of any conflict herewith, in which event the provisions
14 of this subsection shall control.

15 (3) Sections 5-20 and 33-36, Development Corporation
16 Act of 1979 (Article 5190.6, Vernon's Texas Civil Statutes), apply
17 to a corporation created under this subsection, except that in
18 those sections:

19 (A) a reference to that Act includes this
20 subsection; and

21 (B) a reference to a unit includes the district.

22 (4) A corporation created under this subsection may
23 exercise any power of the district, except that the power of eminent
24 domain and the power to acquire, lease, purchase or sell real
25 property shall only be exercised upon approval of the board of
26 directors of the district. Except as limited hereby, when
27 exercising a power under this subsection, a corporation created

1 hereunder and its board of directors have the same powers as the
2 district and the district's board, including the power to issue
3 bonds or other obligations or otherwise borrow money on behalf of
4 the district to accomplish any purpose of the corporation.

5 (5) With regard to the issuance of an obligation, the
6 board of directors of a corporation created under this subsection
7 may exercise the powers granted to the governing body of:

8 (A) an issuer under Chapters 1201 and 1371,
9 Government Code; and

10 (B) a public agency under Chapter 1204,
11 Government Code.

12 (6) A corporation created under this subsection and
13 the district may:

14 (A) share officers, directors, employees,
15 equipment, and facilities; and

16 (B) provide goods and services to each other at
17 cost without the requirement of competitive bidding.

18 (7) The board of directors of the district shall
19 appoint the directors of a corporation created under this
20 subsection. The directors of the corporation serve at the will of
21 the district's board of directors.

22 (8) A member of the district's board of directors may
23 serve as a member of the corporation's board of directors.

24 (9) The budget of a corporation created under this
25 subsection must be approved by the board of directors of the
26 district.

27 (10) The activities of the district's corporation are

1 subject to the continuing review and supervision of the district's
2 board of directors.

3 (11) The issuance of bonds or other obligations under
4 this chapter by a corporation created under this subsection must be
5 approved by the board of directors of the district.

6 (12) Notwithstanding any other law, the district's
7 board of directors may sell, lease, loan, or otherwise transfer
8 some, all, or substantially all of the real property of the district
9 to a corporation created under this subsection. The property
10 transfer must be made under terms approved by the board of directors
11 of the district.

12 (13) (A) Under Section 52-a, Article III, Texas
13 Constitution, a corporation that has been created hereunder may
14 guarantee or otherwise provide credit support for any public
15 security or other obligation or contract of that corporation if the
16 board of directors of the district determines that the guarantee or
17 other credit agreement:

18 (i) is beneficial to a public purpose of the
19 district; and

20 (ii) is for the public purpose of:

21 (a) the development and
22 diversification of the economy of the state;

23 (b) the elimination of unemployment
24 or underemployment in the state; or

25 (c) the development or expansion of
26 commerce in the state.

27 (B) A determination by the board of directors of

1 the district under Subsection 13(A) hereinabove is conclusive.

2 (C) A guarantee or other credit agreement
3 authorized by Subsection 13(A) may provide for the guarantee of or
4 other credit support for public securities or other obligations or
5 contracts of the corporation, all or a portion of which may be
6 authorized, executed, and delivered in the future.

7 (D) Chapter 1202, Government Code, applies to a
8 guarantee or other credit agreement under this section as if the
9 guarantee or other credit agreement were a public security.

10 (E) In this subsection, "public security" has the
11 meaning assigned by Section 1202.001, Government Code.

12 (c) (1) The district may sponsor and participate in an
13 economic development program intended to strengthen the economic
14 base and further the economic development of this state.

15 (2) A determination by the board of directors of the
16 district that an economic development program is intended and
17 expected to accomplish the program's stated purposes is conclusive
18 with respect to whether the program serves the purposes of this
19 subchapter.

20 (3) An economic development program must be within:

21 (A) the territorial boundaries of the district;

22 or

23 (B) the district's water service area.

24 (4) (A) An economic development program may be
25 established only by formal action of the board of directors of the
26 district.

27 (B) The board of directors shall:

- 1 (i) establish the goals of the program;
2 (ii) impose requirements on persons
3 participating in or receiving a benefit from the program; and
4 (iii) provide restrictions, procedures,
5 and budget limits the board of directors determines are necessary
6 to ensure that the governmental purposes of this subchapter and the
7 program are achieved.

8 (5) An economic development program may involve the
9 granting or lending of money, services, or property to a person
10 engaged in an economic development activity.

11 (6) (A) The district may employ staff and spend its
12 resources, other than money received from an ad valorem tax or a
13 general appropriation, to further an economic development program.

14 (B) The district may apply for and receive money,
15 grants, or other assistance from any source to implement an
16 economic development program.

17 (7) The district and any public or private person may
18 enter into an agreement with respect to an economic development
19 program, including an agreement under Chapter 791 of the Texas
20 Government Code.

21 SECTION 3. Chapter 268, Acts of the 55th Legislature,
22 Regular Session, 1957, is amended by amending Sections 21 as
23 follows:

24 Sec. 21. Subchapter I, Chapter 49, Water Code, applies to
25 the district, except when the district is purchasing goods or
26 services described by Section 252.022, Local Government Code;
27 provided however, the district may use the competitive proposal

1 method when the board determines that is in the best interest of the
2 district to do so.

3 SECTION 4. EFFECTIVE DATE. This Act takes effect September
4 1, 2005.