

## **BILL ANALYSIS**

Senate Research Center

H.B. 2639  
By: Geren (Brimer)  
Natural Resources  
5/18/2005  
Engrossed

### **AUTHOR'S/SPONSOR'S STATEMENT OF INTENT**

H.B. 2639 expands the authority of the Tarrant Regional Water District to include stormwater and flooding abatement while supporting downtown beautification of Fort Worth.

### **RULEMAKING AUTHORITY**

Rulemaking authority previously granted to the Tarrant Regional Water District is modified in SECTION 1 (Section 17(a), Chapter 268, Acts of the 55th Legislature, Regular Session, 1957) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 17(a), Chapter 268, Acts of the 55th Legislature, Regular Session, 1957, to authorize the Tarrant Regional Water District (district) to make and enforce reasonable rules, permits, orders, and ordinances necessary to accomplish the district's authorized purposes, including to promote state or local economic development and stimulate business and commercial activity in the district.

SECTION 2. Amends Chapter 268, Acts of the 55th Legislature, Regular Session, 1957, by adding Section 17A, as follows:

Sec. 17A. Provides that a determination by the board of directors of the district (board) that a public works project is intended to perform certain functions is conclusive with regard to whether the project serves the purposes for which the district was created or authorized.

SECTION 3. Amends Section 18, Chapter 268, Acts of the 55th Legislature, Regular Session, 1957, to authorize the district to provide for or participate in the acquisition or construction of recreational facilities.

SECTION 4. Amends Chapter 268, Acts of the 55th Legislature, Regular Session, 1957, by adding Section 18A, as follows:

Sec. 18A. (a) Authorizes the district to provide for or participate in the acquisition, construction, development, operation, or maintenance of facilities intended to promote economic development to the full extent authorized by Section 52-a (Loan or Grant of Public Money for Economic Development), Article III, Texas Constitution.

(b) Authorizes the district to engage in activities intended to stimulate business and commercial activity in the district, and authorizes the district to acquire for economic development purposes the fee simple title or a lesser property interest in land for the district's use or for the sale or lease of the land for a reclamation, economic development, or water control or development project.

(c) Authorizes the district to sponsor and participate in an economic development program intended to strengthen the economic base and further the economic development of this state.

- (d) Provides that a determination by the board that an economic development program is conclusive with respect to whether the program serves the purposes of this section.
- (e) Requires an economic development program to be within the boundaries of the district.
- (f) Authorizes an economic development program to be established only by formal action of the board.
- (g) Requires the board, if it establishes an economic development program, to establish the goals of the program, impose requirements on persons participating on or receiving benefit from the program, and provide restrictions, procedures, and budget limits that the board of directors determines are necessary to ensure that the governmental purposes of this section and the program are achieved.
- (h) Authorizes an economic development program to involve the granting or lending of money, services, or property to a person engaged in an economic development activity.
- (i) Authorizes the district to employ staff and spend its resources, other than money received from an ad valorem tax or a general appropriation, to further an economic development program.
- (j) Authorizes the district to apply for and receive money, grants, or other assistance from any source to implement an economic development program.
- (k) Authorizes the district and any public or private person to enter into an agreement concerning an economic development program.

SECTION 5. Amends Chapter 268, Acts of the 55th Legislature, Regular Session, 1957, by adding Section 18B, as follows:

- Sec. 18B. (a) Authorizes the board by resolution to create one or more nonprofit corporations to act on behalf of the district as the district's authority and instrumentality.
- (b) Sets forth the duties of the nonprofit corporation.
  - (c) Provides that, except as otherwise provided by this section, the Texas Non-Profit Corporation Act (Article 1396-1.10 et seq., V.T.C.S.) applies to a corporation created under this section.
  - (d) Provides that Sections 5-20 and 33-36, Development Corporation Act of 1979 (Article 5190.6, V.T.C.S.) apply to a corporation created under this section.
  - (e) Authorizes a corporation created under this section to exercise any power of the district. Authorizes the corporation to exercise the power of eminent domain and the power to acquire, lease, purchase, or sell real property only on approval by the board. Provides that when exercising a power under this section, a corporation and the corporation's board of directors have the same powers as the district and the district's board of directors.
  - (f) Authorizes the board of directors of a corporation created under this section to exercise the power to issue an obligation granted to the governing body of an issuer under Chapter 1371 (Obligations for Certain Public Improvements), Government Code.
  - (g) Authorizes a corporation created under this section and the district to share certain resources and provide certain goods and services to each other at cost.

(h) Requires the board to appoint the directors of a corporation created under this section. Provides that the directors of the corporation serve at the will of the district's board of directors.

(i) Authorizes a member of the district's board of directors to serve as a member of the corporation's board of directors.

(j) Requires the budget under this section to be approved by the board.

(k) Provides that the activities of the district's corporation are subject to the continuing review and supervision of the board.

(l) Requires the issuance of bonds or other obligations under this Act by a corporation created under this section to be approved by the board.

(m) Authorizes the board to sell, lease, loan, or otherwise transfer some, all, or substantially all of the real property of the district to a corporation created under this section. Requires the property transfer to be made under terms approved by the board.

(n) Authorizes a corporation that has been created in accordance with this section, under Section 52-a, Article III, Texas Constitution, to guarantee or otherwise provide credit support for any public security or other obligation or contract of the corporation if the board makes certain determinations regarding the guarantee or other credit agreement.

(o) Provides that a determination of the board under Subsection (n) is conclusive.

(p) Authorizes a guarantee or other credit agreement authorized by Subsection (n) to provide for the guarantee of or other credit support for public securities or other obligations or contracts of the corporation, all or a portion of which may be authorized, executed, and delivered in the future.

(q) Provides that Chapter 1202 (Examination and Registration of Public Securities), Government Code, applies to a guarantee or other credit agreement under this section as if the guarantee or other credit agreement were a public security.

SECTION 6. Amends Section 21, Chapter 268, Acts of the 55th Legislature, Regular Session, 1957, to authorize the district to use the competitive proposal method when the board determines that doing so is in the best interest of the district. Makes a nonsubstantive change.

SECTION 7. Effective date: September 1, 2005.