

## **BILL ANALYSIS**

Senate Research Center  
83R6881 SLB-D

H.B. 64  
By: Craddick (Seliger)  
Intergovernmental Relations  
5/3/2013  
Engrossed

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

The Midland County Fresh Water Supply District No. 1 (district) was created pursuant to Chapter 53 (Fresh Water Supply Districts) of the Texas Water Code and Section 59 (Conservation and Development of Natural Resources and Parks and Recreational Facilities; Conservation and Reclamation Districts), Article XVI, of the Texas Constitution. The Midland County Commissioners Court authorized the creation of the district in 2009. The district is located wholly within the boundaries of Midland County, Texas.

H.B. 64 affirms that the legal liability of the district is limited to the liability the legislature imposes on governmental entities. The bill affirms the legislature's intent to give the district the basic governmental immunity of the Texas Tort Claims Act.

H.B. 64 amends current law relating to the liability of and the validation of certain acts of the Midland County Fresh Water Supply District No. 1.

### **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 Subtitle B, Title 6, Special District Local Laws Code, by adding Chapter 6909, as follows:

#### CHAPTER 6909. MIDLAND COUNTY FRESH WATER SUPPLY DISTRICT NO. 1

##### SUBCHAPTER A. GENERAL PROVISIONS

Sec. 6909.001. DEFINITIONS. Defines "board," "district," and "supervisor" in this chapter.

Sec. 6909.002. TORT LIABILITY. (a) Provides that the Midland County Fresh Water Utility District No. 1 (district) is a governmental unit under Chapter 101 (Tort Claims), Civil Practice and Remedies Code, and the operations of the district are essential government functions and are not proprietary functions for any purpose, including the application of that chapter.

(b) Provides that the district, a supervisor, or a district employee is not liable for damages arising out of the performance of a governmental function of the district, except as provided by Chapter 101, Civil Practice and Remedies Code.

Sec. 6909.003. NO LIABILITY FOR JOINT ENTERPRISE. Provides that the common law doctrine of vicarious liability because of participation in a joint enterprise does not impose liability on the district or a municipality that contracts with the district for a claim brought under Chapter 101, Civil Practice and Remedies Code.

Sec. 6909.004. MANDATORY VENUE. Provides that the venue for an action brought against the district is in Midland County.

SECTION 2. (a) Provides that all governmental and proprietary actions and proceedings of the district taken before the effective date of this Act relating to the selection of the district as the developer of the T-Bar Ranch water supply and the associated construction necessary for delivery of water from the T-Bar Ranch to the City of Midland are validated, ratified, and confirmed in all respects as of the dates on which they occurred.

(b) Provides that all agreements between the district and the City of Midland are validated as of the dates on which they occurred.

(c) Provides that all revenue refunding bonds, revenue notes, or other obligations issued by the district are validated as of the dates on which they were issued.

(d) Provides that this section does not apply to any matter that on the effective date of this Act is involved in litigation if the litigation ultimately results in the matter being held invalid by a final court judgment, or has been held invalid by a final court judgment.

SECTION 3. Effective date: upon passage or September 1, 2013.