

## **BILL ANALYSIS**

Senate Research Center

S.B. 1129  
By: Hinojosa  
Transportation  
6/20/2017  
Enrolled

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

S.B. 1129 amends Sections 31.164(b) and (d), Water Code. The bill increases the maximum term of a district's franchise from 30 to 50 years to be commensurate with the maximum lease term that a district may grant without bidding.

Current law requires notice of a franchise to be published for three consecutive weeks and also requires that commissioners affirmatively vote to grant a franchise at three separate meetings. S.B. 1129 clarifies that the third vote of the navigation and canal commission of a district (commission) may not take place before the third publication of notice.

Finally, S.B. 1129 clarifies that the effective date of a franchise is the date the grantee files written acceptance with the commission. (Original Author's / Sponsor's Statement of Intent)

S.B. 1129 amends current law relating to franchises granted by navigation districts.

### **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 Sections 61.164(b) and (d), Water Code, as follows:

(b) Increases from 30 to 50 the maximum number of years that a franchise is granted, and prohibits the granting of a franchise, except under certain circumstances. Prohibits the third meeting at which the navigation and canal commission of a navigation district (commission; district) votes to grant a franchise from taking place before the date the notice required by Subsection (c) (relating to requiring that no franchise be granted until a certain notice is published in a certain manner) is published for the third time.

(d) Requires that the franchise require the grantee to file a written acceptance within 30 days after the franchise is finally approved by the commission. Provides that, unless the district and the grantee agree on a later date, the effective date of the franchise is the date the grantee files the written acceptance with the commission. Makes a nonsubstantive change.

SECTION 2. Amends Section 63.178, Water Code, by amending Subsections (b), (c), and (d) and adding Subsection (c-1), as follows:

(b) Increases from 30 years to 50 years the maximum period that a franchise is authorized to be granted.

(c) Prohibits the third meeting at which the commission votes to grant a franchise from taking place before the date a certain notice is published for the third time.

(c-1) Changes a reference to this subsection to Subsection (c) (relating to requiring the commission to approve the franchise by a majority vote during certain meetings before the franchise is granted).

(d) Requires that the franchise require the grantee to file a written acceptance, rather than his written acceptance, within 30 days from the day the franchise is finally approved by the commission. Provides that, unless the self-liquidating navigation district and the grantee agree on a later date, the effective date of the franchise is the date the grantee files the written acceptance with the commission.

SECTION 3. Effective date: September 1, 2017.