

BILL ANALYSIS

Senate Research Center
87R19482 BRG-F

H.B. 3006
By: Middleton (Creighton)
Water, Agriculture & Rural Affairs
5/20/2021
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Trinity Bay Conservation District oversees water, sewage, and drainage in its area. Concerns have been raised that the oversight of all of these responsibilities has left the district's board of directors challenged to adequately address the full scope of the district's needs, particularly the district's drainage needs. H.B. 3006 seeks to address these concerns by creating the Trinity Bay Special Utility District, transferring water and sewage responsibility from the conservation district to the special utility district, and leaving the conservation district to oversee drainage operations.

H.B. 3006 amends current law relating to the creation of the Trinity Bay Special Utility District and the powers and duties of the Trinity Bay Conservation District, provides authority to issue bonds, and provides authority to impose assessments or fees.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

ARTICLE 1. TRINITY BAY SPECIAL UTILITY DISTRICT

SECTION 1.01. Amends Subtitle C, Title 6, Special District Local Laws Code, by adding Chapter 7223, as follows:

CHAPTER 7223. TRINITY BAY SPECIAL UTILITY DISTRICT

Sets forth standard language for the creation of the Trinity Bay Special Utility District (district) in Chambers and Jefferson Counties. Sets forth standards, procedures, requirements, and criteria for:

Creation and approval of the district (Sections 7223.0101-7223.0103);

Election of temporary directors, size and qualifications of the board of directors, and the expiration of subsections related to temporary provisions (Sections 7223.0151-7223.0201);

Powers and duties of the district (Section 7223.0301).

ARTICLE 2. TRINITY BAY CONSERVATION DISTRICT

SECTION 2.01. Amends Chapter 282, Acts of the 51st Legislature, Regular Session, 1949, by adding Section 1a, as follows:

Sec. 1a. (a) Provides that the Trinity Bay Conservation District (conservation district) has all rights, powers, privileges, functions, and duties provided by the general law of this state applicable to a drainage district created under Section 59 (Conservation and Development of Natural Resources; Development of Parks and Recreational Facilities;

Conservation and Reclamation Districts; Indebtedness and Taxation Authorized), Article XVI, Texas Constitution, including Chapters 49 (Provisions Applicable to all Districts) and 56, Water Code (Drainage Districts), except as provided by Subsection (b) of this section.

(b) Prohibits the conservation district from performing the same function as a conservation and reclamation district whose territory overlaps with the territory of the conservation district.

SECTION 2.02 Amends Sections 9(j) and (k), Chapter 282, Acts of the 51st Legislature, Regular Session, 1949, as follows:

(j) Provides that to regulate sewers and other drains used only for drainage purposes, rather than to regulate plumbing, sewers and other drains, and the construction, replacement, and operation thereof, and to abate any obstructions or encroachments thereof, for the protection and enhancement of the health, safety and welfare of the residents of the conservation district.

(k) Provides that to require the owner of a sewer or other drain used only for drainage purposes who is found, rather than to require the owner of plumbing, sewers or other drains found, to be in violation of the rules and regulations of the conservation district to fill up, cleanse, drain, alter, relay, repair, fix, or improve the same as is authorized to be ordered or required by any rule or regulation of the conservation district; and in the event of any failure, neglect, or refusal to comply with such rule or regulation, or in the event there be no person in the conservation district on whom the order to comply with such rule or regulation can be served, the conservation district is authorized, after not less than 30 days written notice to said owner, by either personal service or certified mail, to have such work done and such improvements made on account of the owner thereof.

SECTION 2.03. Amends Section 13(a), Chapter 282, Acts of the 51st Legislature, Regular Session, 1949, as follows:

(a) Authorizes the conservation district to adopt and enforce reasonable rules and regulations to:

(1) prevent waste or the unauthorized use of water controlled by the conservation district; and

(2) regulate privileges on any land or any easement owned or controlled by the conservation district.

Deletes existing text authorizing the conservation district to adopt and enforce reasonable rules and regulations to secure and maintain safe, sanitary, and adequate plumbing installations, connections, and appurtenances as subsidiary parts of its sanitary sewer system and preserve the sanitary condition of all water controlled by the conservation district.

SECTION 2.04. Repealers: Sections 9(g), 9(h), Chapter 282, Acts of the 51st Legislature, Regular Session, 1949.

Repealer: Section 11, Chapter 282, Acts of the 51st Legislature, Regular Session, 1949.

ARTICLE 3. TRANSITION AND NOTICE

SECTION 3.01. (a) Defines "conservation district" and "special utility district" in this section.

(b) Requires the Trinity Bay Conservation District (conservation district) and the Trinity Bay Special Utility District (special utility district), not later than November 30, 2022, to enter into a memorandum of understanding regarding compensation to the conservation district for assets transferred under Subsection (c) of this section.

(c) Requires the conservation district, not later than December 1, 2022, to:

(1) transfer to the special utility district the conservation district's assets, debts, and contractual rights and obligations relating to the construction, acquisition, ownership, operation, maintenance, repair, improvement, and extension of facilities necessary to:

(A) supply water for municipal uses, domestic uses, power and commercial purposes, and other beneficial uses; or

(B) collect, transport, process, dispose of, store, and control domestic, industrial, or communal wastes whether in fluid, solid, or composite state; and

(2) provide notice and make recordings of the transfers under this subsection as required by the Water Code, the Property Code, and other law.

(d) Provides that on December 1, 2022, the powers, functions, and duties of the conservation district that are authorized to be exercised by the special utility district are transferred to the special utility district.

(e) Provides that following the transfer under Subsection (c) of this section:

(1) Certificates of Convenience and Necessity Nos. 10997 and 20399 are considered to be held by the special utility district; and

(2) the board of directors of the conservation district is required to notify the Public Utility Commission of Texas (PUC) of the transfer of Certificates of Convenience and Necessity Nos. 10997 and 20399 to the special utility district.

(f) Requires PUC, on receipt of notice under Subsection (e)(2) of this section, to note in its records that Certificates of Convenience and Necessity Nos. 10997 and 20399 are held by the special utility district and shall reissue the certificates in the name of the special utility district without further application, notice, or hearing. Provides that a person, party, or entity does not have any right of protest, objection, or administrative review of the transfer prescribed by this section.

(g) Provides that the sale and transfer of the conservation district's assets, debts, and contractual rights and obligations under Subsection (c) of this section does not:

(1) contravene a trust indenture or bond resolution relating to the district's outstanding bonds; or

(2) diminish or impair the rights of a holder of an outstanding bond, warrant, or other obligation of the district.

(h) Provides that before December 1, 2022, the temporary board of directors of the special utility district:

(1) is prohibited from taking any regulatory action under Chapter 49 or 65, Water Code;

(2) is required to adopt rules for the administration of the special utility district under Chapters 49 and 65, Water Code; and

(3) is authorized to hire employees of the special utility district.

SECTION 3.02. Provides that all requirements of the constitution and the laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this Act are fulfilled and accomplished.

ARTICLE 4. EFFECTIVE DATES

SECTION 4.01. (a) Effective date, except as provided by Subsection (b) of this section: September 1, 2021.

(b) Effective date, Article 2 of this Act: December 1, 2022.