

## **BILL ANALYSIS**

Senate Research Center  
88R24686 LRM-F

H.B. 5303  
By: Kuempel (Zaffirini)  
Local Government  
5/11/2023  
Engrossed

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

Springs Hill Water Supply Corporation (SHWSC) is a nonprofit, member-owned water supply corporation. SHWSC currently provides potable water to persons, private business entities, municipalities, and other members within Guadalupe County and parts of Wilson County. SHWSC's board of directors passed a resolution finding it was necessary and desirable to convert SHWSC into a special utility district. As a special district, it would have an increased ability to purchase, own, hold, lease, and otherwise acquire sources of water supply; to build, operate, and maintain facilities for the transportation of water; and to sell water to those within its service area.

H.B. 5303 would convert SHSWC into the Springs Hill Utility District to provide better service to their customers.

H.B. 5303 amends current law relating to the creation of the Springs Hill Special Utility District, authorizes a fee, and grants the power of eminent domain.

### **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 C, Title 6, Special District Local Laws Code, by adding Chapter 7208, as follows:

#### **CHAPTER 7208. SPRINGS HILL SPECIAL UTILITY DISTRICT**

Sets forth standard language for the creation of Springs Hill Special Utility District (district) in Guadalupe and Wilson Counties. Sets forth standards, procedures, requirements, and criteria for:

Creation and approval of the district (Sections 7208.0101-7208.0104);

Size and composition of the district, election of temporary directors, and size and qualifications of the board of directors (Sections 7208.0105-7208.0152 and Section 7208.0201);

Transfer of assets and dissolution of the Springs Hill Water Supply Corporation and expiration of subchapter (Section 7208.0153-7208.0154); and

Powers and duties of the district and authority to charge a water service impact fee (Sections 7208.0301-7208.0302).

SECTION 2. 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.

SECTION 3. (a) Amends Subchapter C, Chapter 7208, Special District Local Laws Code, as added by Section 1 of this Act, if this Act does not receive a two-thirds vote of all the members elected to each house, by adding Section 7208.0303, as follows:

Sec. 7208.0303. NO EMINENT DOMAIN POWER. Prohibits the district from exercising the power of eminent domain.

(b) Provides that this section is not intended to be an expression of a legislative interpretation of the requirements of Section 17(c) (relating to authorizing the legislature to enact a general, local, or special law granting the power of eminent domain to an entity only on a two-thirds vote of all the members elected to each house), Article I (Bill of Rights), Texas Constitution.

SECTION 4. Effective date: September 1, 2023.