

S.B. No. 1725

AN ACT

relating to the ~~North~~ ~~Harris~~ ~~County~~ ~~Regional~~ ~~Water~~ ~~Authority~~.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subsection (d), Section 1.03, Chapter 1029, Acts of the 76th Legislature, Regular Session, 1999, is amended to read as follows:

(d) Except to the extent the authority agrees in writing, a municipality's annexation of territory within the authority has no effect on the authority's ability to assess and collect inside the territory annexed by the municipality the types of fees, rates, charges, or special assessments that the authority was assessing and collecting at the time the municipality initiated the annexation; provided, however, that the authority's ability to assess and collect such fees, rates, charges, or special assessments shall terminate on the later to occur of (i) the date of final payment or defeasance of any bonds or other indebtedness, including any refunding bonds, that are secured by such fees, rates, charges, or special assessments, or (ii) the date that the authority no longer provides services inside the annexed territory. ~~[On a municipality's annexation of any of the authority's territory, the annexed territory is excluded from the authority's territory.]~~ The authority shall continue to provide services to the annexed territory in accordance with contracts in effect at the time of the annexation unless a written agreement between the board and the governing body of the municipality provides otherwise.

SECTION 2. Subsection (c), Section 2.02, Chapter 1029, Acts of the 76th Legislature, Regular Session, 1999, is amended to read as follows:

(c) In the manner described by Section 49.103(d), Water Code, the board shall redraw the single-member voting districts as required by law as soon as practicable after:

- (1) each federal decennial census; and
- (2) any change in the boundaries of the authority

which increases the total area of the authority by more than 20 percent.

SECTION 3. Section 4.10, Chapter 1029, Acts of the 76th Legislature, Regular Session, 1999, is amended by adding Subsection (d) to read as follows:

(d) Notwithstanding any inconsistent provision of general law or of a home-rule municipal charter or ordinance, the authority and a municipality may enter into a contract of unlimited duration.

SECTION 4. Subsections (a) and (c), Section 5.05, Chapter 1029, Acts of the 76th Legislature, Regular Session, 1999, are amended to read as follows:

(a) The authority may ~~shall~~ develop a procedure for cooperatively funding a project of the authority with money from other political subdivisions located entirely ~~[districts]~~ [of] the authority's boundaries, and may develop a procedure for cooperatively funding a project of the authority with money from political subdivisions located in whole or in part outside the authority's boundaries, water supply corporations, or other private entities, if the authority project fulfills a governmental purpose of both the authority and other political subdivisions, or fulfills a governmental purpose of the authority that the authority determines would be furthered by cooperative funding from a private entity ~~[districts]~~.

(c) A political subdivision [~~district~~] may enter into a contract with the authority for the political subdivision [~~district~~] to finance a portion of the proposed project with the political subdivision's [~~district's~~] resources instead of using only the proceeds from bonds of the authority for that purpose. The contract must be executed before the authority issues the bonds. As provided in the contract, the authority may [~~must~~]:

(1) reduce the value of the bond issuance to the degree that the political subdivision [~~district~~] provides project funding; and

(2) credit the political subdivision [~~district~~] for its contribution to the project financing and adjust the allocation of revenue pledged to the payment of the bonds so that the authority avoids using, to a degree reasonably commensurate with the contribution, revenue from the political subdivision [~~district~~] to service the authority's bond debt or interest.

SECTION 5. Subsection (b), Section 5.05, Chapter 1029, Acts of the 76th Legislature, Regular Session, 1999, is repealed.

SECTION 6. The change in law made by Subsection (d), Section 4.10, Chapter 1029, Acts of the 76th Legislature, Regular Session, 1999, as added by this Act, applies only to a contract between the ~~North~~ ~~Harris~~ ~~County~~ ~~Regional~~ ~~Water~~ ~~Authority~~ and a municipality that was entered into after January 1, 2002.

SECTION 7. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2003.

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 1725 passed the Senate on May 1, 2003, by the following vote: Yeas 31, Nays 0; and that the Senate concurred in House amendments on May 30, 2003, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

I hereby certify that S.B. No. 1725 passed the House, with amendments, on May 28, 2003, by the following vote: Yeas 144, Nays 0, two present not voting.

Chief Clerk of the House

Approved:

Date