

**Board Packet**  
**June 25, 2009**

**SUPPLEMENT 1**

**ITEM 7d**  
**Legislative Update**

FREEMAN & CORBETT

SUMMARY OF 2009 LEGISLATION  
AFFECTING WATER DISTRICTS, RIVER AUTHORITIES AND WATER SUPPLY CORPORATIONS

Bill Number and Author	Subject	Summary	Effective Date	Status
HB 8 Otto	Property Tax Reform	Amends current law relating to certain studies and reviews of appraisal districts conducted by the comptroller of public accounts. Changes the frequency of the comptroller's property value study from annual to biennial and established a Property Value Study Advisory Committee.	January 1, 2010.	Signed by Governor.
HB 1174 Harnett	River Authorities	A municipality or a river authority, other than a river authority listed in Subsection (c), may pay actual property damages caused by the backup of the municipality's or river authority's sanitary sewer system regardless of whether the municipality or river authority would be liable for the damages under Chapter 101, Civil Practice and Remedies Code. This section does not waive governmental immunity from suit or liability. This section does not apply to the Trinity River Authority, the San Jacinto River Authority, the Sabine River Authority, or the Lower Neches Valley River Authority.	September 1, 2009.	Signed by Governor.
HB 1295 Aycock	CCN Notice	Amends Section 13.246(a), Water Code. When an application for a CCN is filed or an amendment to a certificate is filed, the TCEQ is required to cause notice to affected parties and to each county and groundwater conservation district that is wholly or partly included in the area proposed to be certified.	September 1, 2009.	Signed by Governor.
HB 1433 Lucio III	Annual Water Quality Fee	Relating to the amount of the annual water quality fee imposed on holders of wastewater discharge permits and users of water. Beginning September 1, 2009, the limit on the annual fee is \$100,000. On September 1 of each subsequent year, the TCEQ shall adjust the maximum fee amount as necessary to reflect the percentage change during the preceding year in the Consumer Price Index for All Urban Consumers (CPI-U), U.S. City Average, published monthly by the United States Bureau of Labor Statistics. The amount of the fee may not exceed \$150,000 for each permit or contract and the maximum annual fee under this section for a wastewater discharge or waste treatment facility that holds a water right for the use of water by the facility is \$150,000.	September 1, 2009.	Signed by Governor.
HB 1922 Fischer	Reuse Water System Contributions and Discharges.	Enables the TCEQ, under certain conditions and at the request of the applicant, to authorize a wastewater treatment facility operated by an agency of a home-rule municipality with a population of one million or more to contribute treated domestic wastewater produced by the facility as reclaimed water to a reuse water system and to discharge reclaimed water contributed to a reuse water system at certain outfalls.	Immediately if it receives a vote of two-thirds or September 1, 2009.	Signed by Governor.
HB 2063 Callegari	Groundwater Conservation District	Authorizes a district to enforce Chapter 36 (Groundwater Conservation Districts), Water Code, and its rules against any person by injunction, mandatory injunction, or other appropriate remedy in a court of competent jurisdiction. Inserts the term "against any person" into the enforcement provisions of Chapter 36. Section 36.102, Water Code, as amended by this Act applies only to an action, lawsuit, or appeal filed on or	Upon passage or September 1, 2009.	Signed by Governor.

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Bill Number and Author	Subject	Summary	Effective Date	Status
		after the effective date of this Act.		
HB 2348 Dutton	Fire-Fighting Services	Applies only to a district located wholly or partly in a county with a population of more than 3.3 million and is located within an emergency services district that provides fire-fighting services to the district or parts of the district. A district may contract with a municipality's fire department as part of a strategic partnership agreement if the fire department, on the date the agreement is entered into, has an Insurance Services Office (ISO) Class 1 Public Protection Classification Rating or comparable rating recognized by the state fire marshal. However, the territory of the district to be served by the municipality will be deannexed from the emergency services district. Provides that this does not apply to a strategic partnership agreement that is entered into after December 31, 2006, or amended after December 31, 2006, to include the provision of fire-fighting services.	September 1, 2009.	Signed by Governor.
HB 2374 Guillen	TWDB Financial Assistance to Economically Distressed Areas	<p>Provides that it is in the public interest to use funds in the TWDB's economically distressed areas account to provide financial assistance for the costs associated with the initial connection to public water supply and sanitary sewer systems of residences that otherwise benefit from financial assistance.</p> <p>(b) A political subdivision may use financial assistance to pay:</p> <p>(1) the costs of connecting a residence to a public water supply system constructed with financial assistance;</p> <p>(2) the costs of installing yard water service connections;</p> <p>(3) the costs of installing indoor plumbing facilities and fixtures;</p> <p>(4) the costs of connecting a residence to a sanitary sewer system constructed with financial assistance;</p> <p>(5) necessary connection and permit fees; and</p> <p>(6) necessary costs related to the design of plumbing improvements described by this subsection.</p>	September 1, 2009.	Signed by Governor.
HB 3140 Gonzales Tourilles	Groundwater Conservation District	Allows a law enforcement agency to transfer abandoned or fortified property to a groundwater conservation district.	September 1, 2009.	Signed by Governor.
HB 3435 Hamilton	Impact Fees and Assessments in Certain Water	<p>Amends Section 49.212, Water Code, to prohibit a district from imposing an impact fee, standby fee, or assessment on the property, including the equipment, rights-of-way, easements, facilities, or improvements, of any of the following entities:</p> <p>(1) an electric utility or a power generation company;</p>	September 1, 2009.	Signed By Governor.

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	Districts.	<p>(2) a gas utility;</p> <p>(3) a person who owns pipelines used for the transportation or sale of oil or gas or a product or constituent of oil or gas;</p> <p>(4) a person who owns pipelines used for the transportation or sale of carbon dioxide;</p> <p>(5) a telecommunications provider; or</p> <p>(6) a cable service provider or video service provider.</p> <p>The prohibition does not apply to the following:</p> <p>(1) Property described above that is used as office space;</p> <p>(2) If the owner of the property requests water or sewer services for that property from the district; and</p> <p>(3) The prohibition does not affect a district's authority to impose an ad valorem tax on property in the boundaries of the district under this chapter or other law.</p>		
HB 3612 Oto	Property Appraisals	<p>Provides for the creation of a pilot program in Bexar, Cameron, El Paso, Harris, Tarrant, and Travis Counties for a three-year period beginning with the ad valorem tax year that begins January 1, 2010 that allows taxpayer appeals from appraisal review board determinations involving property values of more than \$1 million to be heard by the State Office of Administrative Hearings.</p>	January 1, 2010. Expires: January 1, 2013.	Signed by Governor.
HB 3613 Oto Amendment: Carona	Market Value of a Residence Homestead.	<p>Requires that the market value of a residence homestead shall be determined solely on the basis of the property's value as a residence homestead, regardless of whether the residential use of the property by the owner is considered to be the highest and best use of the property.</p> <p>Amendment: Provides that on September 1, 2009, a disabled veteran who receives from the United States Department of Veterans Affairs 100 percent disability compensation due to a service-connected disability and a rating of 100 percent disabled or of individual unemployment is entitled to an exemption from taxation of the total appraised value of the veteran's residence homestead.</p>	January 1, 2010. Requires a constitutional amendment. September 1, 2009.	Signed by Governor.
HB 3661 Turner	Fire Hydrants	<p>Provides that the regulatory authority (i.e., a municipality or TCEQ) for an investor-owned utility must adopt standards for <i>installing fire hydrants</i> and maintaining water pressure in residential areas in a municipality with a population of 1,000,000 or more.</p>	September 1, 2009.	Signed by Governor.
HB 4043 Callegari	CCN	<p>Amends Section 13.257 (c), Water Code, to provide that the exemption from the Notice to Purchaser requirements for the sale or transfer of property subject to a CCN within the corporate limits of a municipality only applies if the property is served by a municipally owned utility.</p>	September 1, 2009.	Signed by Governor.

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HB 4231 Ritter	Conveyance or Transfer of Water Imported into this State	Authorizes the use of the bed and banks of a watercourse to move water from a source wholly outside the state, except water that is imported from a source located in the United Mexican States, to a place of storage or diversion in Texas.  Exempts water from a source wholly outside the state that is transported by bed and banks for use within the State from interbasin transfer permit requirements.	September 1, 2009.	Signed by Governor.
HB 4762 King, Tracey O	Edwards Aquifer	Adds certain parcels of lands to the territory of the authority and validates certain groundwater withdrawal permits. The bill makes it clear that the validation of the three permits would not deviate from the legislative directions given to the authority in 2007, and that the permitted amounts would not add to the 572,000 acre-foot per year cap because the permitted amounts were included when the cap was amended in 2007. Validation of the permits and the boundaries would codify what has been occurring through practice for over a decade after the authority mistakenly permitted the three wells and included land associated with the wells in the jurisdictional boundaries of the authority. Amends current law relating to the territory of, and the validation of certain governmental acts and proceedings of, the authority.	September 1, 2009.	Signed by Governor.
SB 361 Patrick, Dan	Emergency Power Outages	Requires an affected utility district to adopt and submit for approval to TCEQ an emergency preparedness plan that demonstrates the utility's ability to provide emergency operations and to ensure the emergency operation of its water system during a power outage as soon as safe and practicable after a natural disaster. "Affected utility" means a retail public utility, exempt utility, or provider or conveyor of potable or raw water service that furnishes water service to more than one customer: (A) in a county with a population of 3.3 million or more; or (B) in a county with a population of 400,000 or more adjacent to a county with a population of 3.3 million or more.	September 1, 2009.	Signed by Governor.
SB 1068 Wentworth Amendment: Gallego	Public Information Act	Authorizes certain personal information, such as telephone numbers and addresses of current and former employees of governmental bodies, to be redacted from public information without the necessity of requesting a decision from the AG.  Requires a governmental body that redacts or withholds information in accordance with any exception recognized by the statute without a decision from the attorney general to provide the following to the requestor: (1) A description of the information being withheld or redacted. (2) Citation to the appropriate statutory authority which makes the information exempt. (3) Instructions to the requestor informing the requestor about the requestor's right to appeal, including instructions on obtaining a review and opinion from the attorney general.	Upon passage, or September 1, 2009.	Signed by Governor.

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Bill Number and Author	Subject	Summary	Effective Date	Status
		Grants requestors the right to request a review and opinion from the attorney general before being required to sue for a writ of mandamus pursuant to Section 552.321 or to seek a declaratory judgment pursuant to 552.3215.		
SB 1080 Jackson	Occupational Safety and Health Act	Offers an affirmative defense to enforcement by the TCEQ in those situations where the Occupational Safety and Health Act of 1970 general duty clause conflicts with a statute within TCEQ's jurisdiction or a TCEQ rule, order, or permit.	September 1, 2009.	Signed by Governor.
SB 1182 Wentworth	Public Information Act	<p>Amends Public Information Act, including:</p> <p>(1) Authorizes members of a municipality to make a report regarding items of community interest without giving notice thereof under certain conditions;</p> <p>(2) Clarifies that a governmental body that submits written comments to the attorney general must send a copy to the requestor no later than the 15<sup>th</sup> business day after the date of receiving the written request for information.</p> <p>(3) Clarifies that a suit challenging the decision of the attorney general shall be a suit for declaratory judgment in Travis County, and may not be brought by the public information officer.</p> <p>(4) Provides for various nonsubstantive amendments to the Public Information Act.</p> <p>(5) Enacts additional exemptions not relevant to water districts.</p>	September 1, 2009.	Signed by Governor.
SB 1253 Seligler	Right of Ways and Easements	Repeals the statutory provision (49.2205) that allowed water districts and water supply corporations to allow the use of right-of-way easements for certain energy-related purposes.	September 1, 2009.	Signed by Governor.
SB 1260 Duncan	Lower Concho River Water and Soil Conservation Authority	Abolishes the Lower Concho River Water and Soil Conservation Authority and provides that any assets of the authority escheat to the state in a certain manner.	September 1, 2009.	Signed by Governor.
SB 1299 Watson	Stormwater Management	Provides that Chapter 573, Local Government Code, (Authority of Certain Counties and Districts to Regulate Stormwater Management), which authorizes a county to assess user fees associated with development permits to offset the costs to comply with SWMP, applies to a county with a population of 800,000 or more	Immediately if it receives a vote of two-	Signed by Governor.

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		that contains a portion of the Edwards Aquifer (i.e., Travis County).	thirds or September 1, 2009.	
SB 1711 Hegar	Texas Surface Coal Mining and Reclamation Act.	Authorizes a person, without obtaining a permit, to construct or maintain a reservoir as part of a surface coal mining operation under Chapter 134, Natural Resources Code, if the water in the reservoir is used solely for: (1) sediment control; or (2) compliance with applicable laws, rules, or regulations relating to fire or dust suppression	September 1, 2009.	Signed by Governor.
SB 2312 Averitt	Water Infrastructure Fund	Revises the eligibility of certain entities to receive money from the water infrastructure fund. Redefines "Eligible political subdivision" to include districts and water supply corporations.	September 1, 2009.	Signed by Governor.
SB 2314 Averitt	TWDB	Requires the Texas Water Development Board to adopt rules specifying the manner in which any capitalization grant under the state water pollution control revolving fund, the safe drinking water revolving fund, or any additional state revolving fund are authorized to be used to provide assistance to an eligible applicant for public works.  Authorizes the board to adopt rules in an expedient manner in order to comply with federal funding terms, if necessary, and continues the validity of rules adopted in such a manner if the board readopts the rules as required by the Administrative Procedure Act within 180 days of initial adoption.	September 1, 2009.	Signed by Governor.
HJR 36	Appraisal of Residence Homesteads	A constitutional amendment authorizing the legislature to provide for the ad valorem taxation of a residence homestead solely on the basis of the property's value as a residence homestead.  Provides the legislature to authorize a single board of equalization for two or more adjoining appraisal entities that elect to provide for consolidated equalizations.  Authorizes the legislature to provide for the administration and enforcement of uniform standards and procedures for appraisal of property for ad valorem tax purposes.	Will be placed on the November 3, 2009 constitutional amendment ballot.	Sent to SOS. Will be on the statewide constitutional amendment ballot on November 3, 2009.