

AN ACT

relating to the powers and duties of the Tarrant Regional Water District and the abolition and distribution of the assets of the Lower Rio Grande Authority.

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

SECTION 1. Section 17(a), Chapter 268, Acts of the 55th Legislature, Regular Session, 1957, is amended to read as follows:

(a) The district may make and enforce reasonable rules, permits, orders, and ordinances necessary to accomplish the district's authorized purposes, including:

(1) to secure and maintain safe, sanitary, and adequate plumbing installations, connections, and appurtenances as subsidiary parts of sanitary sewer systems;

(2) to preserve the sanitary condition of all land and water controlled by the district;

(3) to prevent the waste or unauthorized use of water;

(4) to regulate residing, hunting, fishing, boating, and camping, and all recreational and business privileges on any body or stream of water, or any body of land, or any easement owned or controlled by the district; ~~and~~

(5) to regulate privileges on any land, easement, or property interest adjoining a reservoir or other property of the district to prevent activities on such adjoining land, easement, or property interest that could adversely affect the purity of water

1 in this state; and

2 (6) to promote state or local economic development and  
3 stimulate business and commercial activity in the district.

4 SECTION 2. Chapter 268, Acts of the 55th Legislature,  
5 Regular Session, 1957, is amended by adding Section 17A to read as  
6 follows:

7 Sec. 17A. A determination by the board of directors of the  
8 district that a public works project is intended to conserve and  
9 develop the natural resources of this state, to promote recreation  
10 or economic development, or to control, store, preserve, develop,  
11 or distribute the district's storm and flood waters, and the waters  
12 of the district's rivers and streams, is conclusive with regard to  
13 whether the project serves the purposes for which the district was  
14 created or authorized.

15 SECTION 3. Section 18, Chapter 268, Acts of the 55th  
16 Legislature, Regular Session, 1957, is amended to read as follows:

17 Sec. 18. The district may provide for or participate in the  
18 acquisition, construction, development, operation, or maintenance  
19 of recreational facilities to the full extent authorized by Section  
20 59, Article XVI, Texas Constitution, the Water Code, or other  
21 applicable law.

22 SECTION 4. Chapter 268, Acts of the 55th Legislature,  
23 Regular Session, 1957, is amended by adding Section 18A to read as  
24 follows:

25 Sec. 18A. (a) The district may provide for or participate  
26 in the acquisition, construction, development, operation, or  
27 maintenance of facilities intended to promote economic development

1 to the full extent authorized by Section 52-a, Article III, Texas  
2 Constitution.

3 (b) The district may engage in activities intended to  
4 stimulate business and commercial activity in the district,  
5 including making loans or grants of money for economic development  
6 purposes in accordance with Section 52-a, Article III, Texas  
7 Constitution, and may acquire for economic development purposes the  
8 fee simple title or a lesser property interest in land for the  
9 district's use or for the sale or lease of the land for a  
10 reclamation, economic development, or water control or development  
11 project.

12 (c) The district may sponsor and participate in an economic  
13 development program intended to strengthen the economic base and  
14 further the economic development of this state.

15 (d) A determination by the board of directors of the  
16 district that an economic development program is intended and  
17 expected to accomplish the program's stated purposes is conclusive  
18 with respect to whether the program serves the purposes of this  
19 section.

20 (e) An economic development program must be within the  
21 boundaries of the district.

22 (f) An economic development program may be established only  
23 by formal action of the board of directors of the district.

24 (g) If the board of directors of the district establishes an  
25 economic development program, the board must:

26 (1) establish the goals of the program;

27 (2) impose requirements on persons participating in or

1 receiving a benefit from the program; and

2 (3) provide restrictions, procedures, and budget  
3 limits that the board of directors determines are necessary to  
4 ensure that the governmental purposes of this section and the  
5 program are achieved.

6 (h) An economic development program may involve the  
7 granting or lending of money, services, or property to a person  
8 engaged in an economic development activity.

9 (i) The district may employ staff and spend its resources,  
10 other than money received from an ad valorem tax or a general  
11 appropriation, to further an economic development program.

12 (j) The district may apply for and receive money, grants, or  
13 other assistance from any source to implement an economic  
14 development program.

15 (k) The district and any public or private person may enter  
16 into an agreement concerning an economic development program,  
17 including an agreement under Chapter 791, Government Code.

18 SECTION 5. Chapter 268, Acts of the 55th Legislature,  
19 Regular Session, 1957, is amended by adding Section 18B to read as  
20 follows:

21 Sec. 18B. (a) The board of directors of the district may by  
22 resolution create one or more nonprofit corporations to act on  
23 behalf of the district as the district's authority and  
24 instrumentality.

25 (b) A nonprofit corporation created under Subsection (a) of  
26 this section shall:

27 (1) establish and maintain the principal office of the

1 corporation inside the boundaries of the district; and

2 (2) exercise the corporation's powers relating to real  
3 property or tangible personal property only inside the boundaries  
4 of the district.

5 (c) Except as otherwise provided by this section, the Texas  
6 Non-Profit Corporation Act (Article 1396-1.01 et seq., Vernon's  
7 Texas Civil Statutes) applies to a corporation created under this  
8 section.

9 (d) Sections 5-20 and 33-36, Development Corporation Act of  
10 1979 (Article 5190.6, Vernon's Texas Civil Statutes), apply to a  
11 corporation created under this section.

12 (e) A corporation created under this section may exercise  
13 any power of the district, but the corporation may exercise the  
14 power of eminent domain and the power to acquire, lease, purchase,  
15 or sell real property only on approval of the board of directors of  
16 the district. When exercising a power under this section, a  
17 corporation and the corporation's board of directors have the same  
18 powers as the district and the district's board of directors,  
19 including the power to issue bonds or other obligations or  
20 otherwise borrow money on behalf of the district to accomplish any  
21 purpose of the corporation.

22 (f) The board of directors of a corporation created under  
23 this section may exercise the power to issue an obligation granted  
24 to the governing body of an issuer under Chapter 1371, Government  
25 Code.

26 (g) A corporation created under this section and the  
27 district may:

1           (1) share officers, directors, employees, equipment,  
2 and facilities; and

3           (2) provide goods and services to each other at cost  
4 without the requirement of competitive bidding.

5           (h) The board of directors of the district shall appoint the  
6 directors of a corporation created under this section. The  
7 directors of the corporation serve at the will of the district's  
8 board of directors.

9           (i) A member of the district's board of directors may serve  
10 as a member of the corporation's board of directors.

11           (j) The budget of a corporation created under this section  
12 must be approved by the board of directors of the district.

13           (k) The activities of the district's corporation are  
14 subject to the continuing review and supervision of the district's  
15 board of directors.

16           (l) The issuance of bonds or other obligations under this  
17 Act by a corporation created under this section must be approved by  
18 the board of directors of the district.

19           (m) The district's board of directors may sell, lease, loan,  
20 or otherwise transfer some, all, or substantially all of the real  
21 property of the district to a corporation created under this  
22 section. The property transfer must be made under terms approved by  
23 the board of directors of the district.

24           (n) Under Section 52-a, Article III, Texas Constitution, a  
25 corporation that has been created in accordance with this section  
26 may guarantee or otherwise provide credit support for any public  
27 security or other obligation or contract of the corporation if the

1 board of directors of the district determines that the guarantee or  
2 other credit agreement:

3 (1) is beneficial to a public purpose of the district;  
4 and

5 (2) is for the public purpose of:

6 (A) the development and diversification of the  
7 economy of this state;

8 (B) the elimination of unemployment or  
9 underemployment in this state; or

10 (C) the development or expansion of commerce in  
11 this state.

12 (o) A determination by the board of directors of the  
13 district under Subsection (n) of this section is conclusive.

14 (p) A guarantee or other credit agreement authorized by  
15 Subsection (n) of this section may provide for the guarantee of or  
16 other credit support for public securities or other obligations or  
17 contracts of the corporation, all or a portion of which may be  
18 authorized, executed, and delivered in the future.

19 (q) Chapter 1202, Government Code, applies to a guarantee or  
20 other credit agreement under this section as if the guarantee or  
21 other credit agreement were a public security.

22 SECTION 6. Section 21, Chapter 268, Acts of the 55th  
23 Legislature, Regular Session, 1957, is amended to read as follows:

24 Sec. 21. (a) Subchapter I, Chapter 49, Water Code, applies  
25 to the district, except when the district is purchasing goods or  
26 services described by Section 252.022, Local Government Code.

27 (b) The district may use the competitive proposal method

1 when the board of directors of the district determines that doing so  
2 is in the best interest of the district.

3 SECTION 7. REPEALER. Title 128, Article 8280-144, Vernon's  
4 Texas Civil Statutes, Acts of the 52nd Legislature, Regular  
5 Session, 1951, is repealed. Any property or other assets of an  
6 entity abolished under this section shall vest in the entity  
7 created by Acts of the 78th Legislature, Regular Session, Chapter  
8 385, 2003 Tex. Gen. Laws 1615, May 28, 2003.

9 SECTION 8. This Act takes effect September 1, 2005.



David Newkum

President of the Senate

Jim Caskie

Speaker of the House

I certify that H.B. No. 2639 was passed by the House on May 12, 2005, by a non-record vote; and that the House concurred in Senate amendments to H.B. No. 2639 on May 28, 2005, by a non-record vote.

Robert Harey  
Chief Clerk of the House

I certify that H.B. No. 2639 was passed by the Senate, with amendments, on May 25, 2005, by the following vote: Yeas 31, Nays 0.

Daisy Spaw  
Secretary of the Senate

APPROVED: 18 JUNE '05

Date

Rick Perry

Governor

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
4:00 PM O'CLOCK

Roger Williams  
Secretary of State