

CONFERENCE COMMITTEE REPORT FORM

Austin, Texas

May 24, 2019  
Date

Honorable Dan Patrick  
President of the Senate

Honorable Dennis Bonnen  
Speaker of the House of Representatives

Sirs:

We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on SB 911 have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

J. J. Hinojosa  
Sen. Juan Hinojosa, chair

Poncho Nevarez  
Rep. Poncho Nevarez, chair

Pete P. Flores  
Sen. Pete Flores

Terry Canales  
Rep. Terry Canales

Charles Perry  
Sen. Charles Perry

Lyle Larson  
Rep. Lyle Larson

Jose Rodriguez  
Sen. Jose Rodriguez

Geanie W. Morrison  
Rep. Geanie Morrison

Larry Taylor  
On the part of the Senate  
Sen. Larry Taylor

Four Price  
On the part of the House  
Rep. Four Price

Note to Conference Committee Clerk:

Please type the names of the members of the Conference Committee under the lines provided for signature. Those members desiring to sign the report should sign each of the six copies. Attach a copy of the Conference Committee Report and a Section by Section side by side comparison to each of the six reporting forms. The original and two copies are filed in house of origin of the bill, and three copies in the other house.



# CONFERENCE COMMITTEE REPORT

3<sup>rd</sup> Printing

S.B. No. 911

A BILL TO BE ENTITLED

AN ACT

relating to the supervision of water districts by the Texas  
Commission on Environmental Quality.

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

SECTION 1. Section 12.081(a), Water Code, is amended to  
read as follows:

(a) The powers and duties of all districts and authorities  
created under Article III, Section 52 and Article XVI, Section 59 of  
the Texas Constitution are subject to the continuing right of  
supervision of the State of Texas by and through the commission or  
its successor, and this supervision may include but is not limited  
to the authority to:

(1) inquire into the qualifications [~~competence,~~  
~~fitness, and reputation~~] of the officers and directors of any  
district or authority;

(2) require, on its own motion or on complaint by any  
person, audits or other financial information, inspections,  
evaluations, and engineering reports;

(3) issue subpoenas for witnesses to carry out its  
authority under this subsection;

(4) institute investigations and hearings using  
examiners appointed by the commission;

(5) issue rules necessary to supervise the districts  
and authorities, except that such rules shall not apply to water

1 quality ordinances adopted by any river authority which meet or  
2 exceed minimum requirements established by the commission; [~~and~~]

3 (6) issue a permit under Chapter 361, Health and  
4 Safety Code, notwithstanding a district's rule or objection; and

5 (7) the right of supervision granted herein shall not  
6 apply to matters relating to electric utility operations.

7 SECTION 2. Sections 49.102(e) and (f), Water Code, are  
8 amended to read as follows:

9 (e) If a majority of the votes cast in the election favor the  
10 creation of the district, then the temporary board shall declare  
11 that the district is created and enter the result in its minutes.  
12 If a majority of the votes cast in the election are against the  
13 creation of the district, the temporary board shall declare that  
14 the district was defeated and enter the result in its minutes. A  
15 copy of the order shall be filed with the commission not later than  
16 the 30th day after the date of the election.

17 (f) The order canvassing the results of the confirmation  
18 election shall contain a description of the district's boundaries  
19 and shall be filed with the executive director and in the deed  
20 records of the county or counties in which the district is located  
21 not later than the 30th day after the date of the election.

22 SECTION 3. Section 49.195(a), Water Code, is amended to  
23 read as follows:

24 (a) The executive director may review the audit report of  
25 each district. After reviewing the audit report, the executive  
26 director may request additional information from the district. The  
27 district shall provide the additional information not later than

1 the 60th day after the date the request was received, unless the  
2 executive director extends the time allowed for the district to  
3 provide additional information for good cause.

4 SECTION 4. Section 49.196(a), Water Code, is amended to  
5 read as follows:

6 (a) The executive director may review and investigate a  
7 district's financial records and may conduct an on-site audit of a  
8 district's financial information. The executive director shall  
9 have access to all vouchers, receipts, district fiscal and  
10 financial records, and other district records the executive  
11 director considers necessary.

12 SECTION 5. This Act takes effect September 1, 2019.

**Senate Bill 911**  
Conference Committee Report  
Section-by-Section Analysis

SENATE VERSION	HOUSE VERSION (IE)	CONFERENCE
SECTION 1. Section 12.081(a), Water Code, is amended.	SECTION 1. Same as Senate version except specifies that the supervision by the state of the powers and duties of certain districts and authorities may include the authority to issue a permit under Chapter 361, Health and Safety Code, notwithstanding a district's rule or objection. [FA1]	SECTION 1. Same as House version.
SECTION 2. Sections 49.102(e) and (f), Water Code, are amended.	SECTION 2. Same as Senate version.	SECTION 2. Same as Senate version.
SECTION 3. Section 49.195(a), Water Code, is amended.	SECTION 3. Same as Senate version.	SECTION 3. Same as Senate version.
SECTION 4. Section 49.196(a), Water Code, is amended.	SECTION 4. Same as Senate version.	SECTION 4. Same as Senate version.
<i>No equivalent provision.</i>	SECTION 5. Title 2, Water Code, is amended by adding Subtitle G.	Same as Senate version.
SECTION 5. This Act takes effect September 1, 2019.	SECTION 6. Same as Senate version.	SECTION 5. Same as Senate version.

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION**

**May 25, 2019**

**TO:** Honorable Dan Patrick, Lieutenant Governor, Senate  
Honorable Dennis Bonnen, Speaker of the House, House of Representatives

**FROM:** John McGeady, Assistant Director    Sarah Keyton, Assistant Director  
Legislative Budget Board

**IN RE:** SB911 by Hinojosa (Relating to the supervision of water districts by the Texas  
Commission on Environmental Quality.), **Conference Committee Report**

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Water Code to allow the Texas Commission on Environmental Quality Executive Director to request additional information after reviewing the audit report of a water district and would allow this same position to review and investigate a district's financial records and to conduct an on-site audit of a district's financial information. According to the State Office of Administrative Hearings and TCEQ, duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

**Local Government Impact**

The Northeast Texas Municipal Water District assumes that the bill could have a significant financial impact on a water district in the event an audit reveals deficiencies that the state agency requires to be addressed, however the extent of the fiscal impact on water districts cannot be determined at this time.

**Source Agencies:**     360 State Office of Administrative Hearings, 582 Commission on  
Environmental Quality

**LBB Staff:** WP, SZ, MW, GDz, AF