

BILL ANALYSIS

C.S.S.B. 526
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Natural Resources
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Special purpose districts provide vital infrastructure to many Texas neighborhoods that may be paid for through bond debt and maintained through property and other taxes. Many Texans may be unaware that they live in one of these districts or do not know how to contact a district if there is an issue. Increased transparency can help educate Texans and remedy this disconnect. C.S.S.B. 526 seeks to address this issue by requiring a special purpose district to post or cause to be posted on a website specified financial and operating information of the district.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.S.B. 526 amends the Government Code to require a special purpose district to post or cause to be posted on a website specified financial and operating information of the district, to include information relating to the following:

- the name of the district and certain information about the district's governing body;
- certain contact information for the district's main office, for each member of the governing body, and for any person employed as a general manager or executive director or similar position;
- certain contact information for any utility operator and tax assessor-collector with which the district contracts;
- the rates for any property tax or sales and use tax imposed by the district;
- any required notice of a tax hearing;
- the location and schedule of meetings of the district's governing body;
- a statement relating to a resident's right to request a designated meeting place for the governing body;
- each notice of, and the minutes of, certain meetings under state open meetings law; and
- the most recent financial audit of the district.

For purposes of the bill's posting requirement, the bill does the following:

- defines "special purpose district" as a political subdivision of the state with geographic boundaries that define the subdivision's territorial jurisdiction and excludes from the term a municipality, county, junior college district, independent school district, groundwater conservation district, river authority, or political subdivision with statewide jurisdiction;

- makes the requirement applicable only to a special purpose district that has the following characteristics:
 - the district is authorized by the state by a general or special law to impose a property tax;
 - during the most recent fiscal year the district imposed a property tax;
 - during the most recent fiscal year the district had the following:
 - bonds outstanding;
 - gross receipts from operations, loans, taxes, or contributions in excess of \$250,000; or
 - cash and temporary investments in excess of \$250,000; and
 - at the beginning of the most recent fiscal year, the district had a population of 500 or more, as determined by the district's governing body; and
- explicitly makes the requirement applicable to a county assistance district.

The bill exempts a district subject to the bill's requirement from a statutory requirement that certain political subdivisions with taxing authority post on a publicly accessible website specified information regarding the political subdivision.

C.S.S.B. 526 amends the Government Code and Water Code to do the following with respect to any website or websites a district uses to comply with the bill's online posting requirement of special purpose district information and a Tax Code online posting requirement of a taxing unit's tax rate and budget information:

- require the Special Purpose District Public Information Database to include the address of the respective website or websites for each district in the database that does not maintain a website;
- require the posting of links to the respective website or websites on a website that is maintained by the following districts that have a population of 500 or more:
 - water control and improvement districts;
 - fresh water supply districts;
 - municipal utility districts; and
 - water improvement districts; and
- provide for the inclusion of the respective website or websites in the district information statement on a customer's water bill from certain water districts that do not maintain a website.

C.S.S.B. 526 amends the Government Code to establish that nothing in state open meetings law prohibits the following districts that have a population of 500 or more from allowing a person to watch or listen to a board meeting by video or telephone conference call:

- water control and improvement districts;
- fresh water supply districts;
- municipal utility districts; and
- water improvement districts.

C.S.S.B. 526 amends the Water Code to require the board of a rural area district that conducts meetings at least quarterly to conduct a meeting at a designated meeting location inside the district or within 10 miles of the district's boundary at least once per quarter. The bill authorizes the district, if the board determines that it is not practical to meet within 10 miles of the district's boundary, to conduct the quarterly meeting at another designated meeting place in the county in which the district is located. The bill defines, for purposes of these provisions, "rural area district" as a district in which more than half of the district's projected retail water or sewer connections are active and that is not wholly or partly located in a county that as of the 2010 Census had a population of 800,000 or more or bordered a county with a population of 800,000 or more.

EFFECTIVE DATE

September 1, 2021.

COMPARISON OF SENATE ENGROSSED AND SUBSTITUTE

While C.S.S.B. 526 may differ from the engrossed in minor or nonsubstantive ways, the following summarizes the substantial differences between the engrossed and committee substitute versions of the bill.

The substitute excludes groundwater conservation districts and river authorities from the definition of "special purpose district" applicable to the bill's requirement that a special purpose district post or cause to be posted on a website specified financial and operating information of the district, whereas the engrossed does not provide for these specific exclusions.