

BILL ANALYSIS

C.S.S.B. 630
By: Hinojosa
Natural Resources
Committee Report (Substituted)

BACKGROUND AND PURPOSE

It has been suggested that changes are needed to improve the transparency of the Agua Special Utility District in the Rio Grande Valley and add uniformity to the election cycle for district directors. One example illustrating the need for reform is when the district's board of directors held budget workshops on South Padre Island resulting in thousands of dollars in expenses. C.S.S.B. 630 seeks to address these issues by making changes to the district's governing provisions, including requiring that the district hold director elections on the uniform election date in November and that a meeting at which the board or the general manager discusses the district's annual budget be held inside 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. 630 amends the Special District Local Laws Code to specify that the education program for directors of the Agua Special Utility District must include not less than 10 hours of instruction. The bill changes the deadline by which a director is required to complete the education program from before the first anniversary of the date on which the director was appointed or elected to not later than the 90th day after the date on which the director takes the oath of office. The bill requires the education program to be made available so that each director may meet the education requirements.

C.S.S.B. 630 requires the district to hold an election on the uniform election date in November of each even-numbered year to elect the appropriate number of directors. The bill requires the district to contract with the county elections administrator to conduct the election of directors.

C.S.S.B. 630 specifies that the removal of a director from the board is by a majority of the other directors. The bill removes as grounds for a director's removal the failure to complete the initial board training and adds as grounds for removal missing one-half or more of the regularly scheduled meetings during the preceding 12 months. The bill requires the board to adopt procedures for the removal of a director that are designed to provide due process to the director. The bill requires the procedures to include reasonable notice and public hearing and establishes that the notice and hearing are not required if the director to be removed expressly waives the notice and hearing in writing.

C.S.S.B. 630 prohibits a director or district employee from being employed by, participating in the management of, or having a substantial interest in a business entity or other organization, other than a governmental entity, that receives money from the district.

C.S.S.B. 630 requires a meeting at which the board or the general manager discusses the district's annual budget to be held inside the district.

C.S.S.B. 630 requires a director serving on the bill's effective date to continue in office until the member's successor qualifies for office.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2021.

COMPARISON OF SENATE ENGROSSED AND SUBSTITUTE

While C.S.S.B. 630 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 includes provisions not included in the engrossed relating to the following:

- the director education program;
- the removal of a director from the board; and
- prohibited director and district employee conduct.