

## **BILL ANALYSIS**

Senate Research Center

S.B. 533  
By: Ratliff  
Natural Resources  
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As Filed

### **DIGEST**

Currently, Texas nonprofit water supply and sewer service corporations have adopted bylaws relating to the annual meetings and elections. Most of the corporations by-laws contain standard procedures for annual meetings and elections that have served their corporations well, Chapter 67 of the water code does not specifically address this issue. Absent legislative directives regarding written procedures for annual meetings and elections, a corporation might not adequately fulfill its responsibility to conduct annual meetings and elections in a fair, impartial, and non-discriminatory manner. S.B. 533 requires the board of directors of a nonprofit water supply or sewer corporation to adopt written procedures regarding notification of annual meetings, establishment of a quorum, nomination and election procedures, and the establishment and validation of ballots and proxies.

### **PURPOSE**

As proposed, S.B. 533 requires certain procedures for annual or special meetings and elections for water supply and sewer services corporations.

### **RULEMAKING AUTHORITY**

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 67.007, Water Code, as follows:

Sec. 67.007. New heading: ANNUAL OR SPECIAL MEETING. Requires the board of directors of a nonprofit water supply or sewer service corporation (board) to adopt written procedures for conducting an annual or special meeting of the members or shareholders, which shall include certain procedures. Requires the board to adopt an official proxy and ballot form to be used in conducting the business of the corporation at any annual or special meeting. Provides that no other proxy or ballot form will be valid. Provides that proxies and ballots from members or shareholders are confidential and are exempted from disclosure by the corporation until after the date of the relevant election.

SECTION 2. Emergency clause.

Effective date: upon passage.