

BILL ANALYSIS

Senate Research Center

S.B. 523
By: Birdwell et al.
Agriculture, Water & Rural Affairs
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Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

River authorities have expanded in size and mission to the point that oversight and a periodic review have become necessary. Periodic review of river authority duties and functions is necessary to ensure maximized benefit of our state's most precious resource—water.

River authorities independently operate and manage an asset that the state owns, and a sunset review of these entities will result in a more consistent and uniform system of managing state water, greater transparency, and increased accountability to Texans. This is a necessary step in providing meaningful accountability and transparency.

River authorities were created by the legislature, however, their boards are appointed by the governor and they receive no funding through the appropriations process. This creates a unique quasi-governmental agency that provides no public recourse for a citizen if they have an issue with a river authority. Boards of directors are not accountable to voters. A Sunset review will allow for the public, through their elected officials, to have the ability to publicly discuss the governance and efficiency of river authorities.

S.B. 523 amends current law relating to the sunset review of river authorities.

[**Note:** While the statutory reference in this bill is to the Sabine-Neches Conservation District, the following amendments affect the Sabine River Authority of Texas, as the successor entity to the Sabine-Neches Conservation District.]

[**Note:** While the statutory reference in this bill is to the San Antonio River Canal and Conservancy District, the following amendments affect the San Antonio River Authority, as the successor entity to the San Antonio River Canal and Conservancy District.]

[**Note:** While the statutory reference in this bill is to the San Jacinto River Conservation and Reclamation District, the following amendments affect the San Jacinto River Authority, as the successor entity to the San Jacinto River Conservation and Reclamation District.]

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. SUNSET ACT. Amends Chapter 325, Government Code, by adding Section 325.025, as follows:

Sec. 325.025. RIVER AUTHORITIES SUBJECT TO REVIEW. (a) Provides that a river authority listed in Subsection (b) is subject to a limited review under this chapter as if it were a state agency but may not be abolished.

(b) Provides that this section applies to the river authorities set forth in this subsection.

(c) Requires that the limited review under this chapter assess each river authority's governance, management, operating structure, and compliance with legislative requirements.

(d) Requires a river authority to pay the cost incurred by the Sunset Advisory Commission (commission) in performing a review of the authority under this section. Requires the commission to determine the cost, and requires the authority to pay the amount promptly on receipt of a statement from the commission detailing the cost.

(e) Provides that a river authority reviewed by the commission under this section may not be required to conduct a management audit under Chapter 292 (Special Requirements for Certain Districts and Authorities), Title 30, Texas Administrative Code.

SECTION 2. ANGELINA AND NECHES RIVER AUTHORITY. Amends Subchapter A, Chapter 8501, Special District Local Laws Code, by adding Section 8501.0015, as follows:

Sec. 8501.0015. APPLICATION OF SUNSET ACT. (a) Provides that the Angelina and Neches River Authority (authority) is subject to review under Chapter 325 (Sunset Law), Government Code, but may not be abolished under that chapter. Requires that the review be conducted under Section 325.025 (River Authorities Subject to Review), Government Code, as if the authority were a state agency scheduled to be abolished September 1, 2023, and every 12th year after that year.

(b) Requires the authority to pay the cost incurred by the commission in performing the review. Requires the commission to determine the cost, and requires the authority to pay the amount promptly on receipt of a statement from the commission detailing the cost.

SECTION 3. BANDERA COUNTY RIVER AUTHORITY AND GROUNDWATER DISTRICT. Amends Chapter 629, Acts of the 62nd Legislature, Regular Session, 1971, by adding Section 1A, as follows:

Sec. 1A. (a) Provides that the Bandera County River Authority and Groundwater District (district) is subject to review under Chapter 325, Government Code, but may not be abolished under that chapter. Requires that the review be conducted under Section 325.025, Government Code, as if the district were a state agency scheduled to be abolished September 1, 2023, and every 12th year after that year.

(b) Requires the district to pay the cost incurred by the commission in performing the review. Requires the commission to determine the cost, and requires the district to pay the amount promptly on receipt of a statement from the commission detailing the cost.

SECTION 4. CENTRAL COLORADO RIVER AUTHORITY. Amends Subchapter A, Chapter 8505, Special District Local Laws Code, by adding Section 8505.0021, as follows:

Sec. 8505.0021. APPLICATION OF SUNSET ACT. (a) Provides that the Central Colorado River Authority (authority) is subject to review under Chapter 325, Government Code, but may not be abolished under that chapter. Requires that the review be conducted under Section 325.025, Government Code, as if the authority were a state agency scheduled to be abolished September 1, 2017, and every 12th year after that year.

(b) Requires the authority to pay the cost incurred by the commission in performing the review. Requires the commission to determine the cost, and requires the authority to pay the amount promptly on receipt of a statement from the commission detailing the cost.

SECTION 5. GUADALUPE-BLANCO RIVER AUTHORITY. Amends Chapter 75, Acts of the 43rd Legislature, 1st Called Session, 1933, by adding Section 1A, as follows:

Sec. 1A. (a) Provides that the Guadalupe-Blanco River Authority (district) is subject to review under Chapter 325, Government Code, but may not be abolished under that chapter. Requires that the review be conducted under Section 325.025, Government Code, as if the district were a state agency scheduled to be abolished September 1, 2019, and every 12th year after that year.

(b) Requires the district to pay the cost incurred by the commission in performing the review. Requires the commission to determine the cost, and requires the district to pay the amount promptly on receipt of a statement from the commission detailing the cost.

SECTION 6. LAVACA-NAVIDAD RIVER AUTHORITY. Amends Chapter 186, Acts of the 50th Legislature, Regular Session, 1947, by adding Section 1A, as follows:

Sec. 1A. (a) Provides that the Lavaca-Navidad River Authority (district) is subject to review under Chapter 325, Government Code, but may not be abolished under that chapter. Requires that the review be conducted under Section 325.025, Government Code, as if the district were a state agency scheduled to be abolished September 1, 2023, and every 12th year after that year.

(b) Requires the district to pay the cost incurred by the commission in performing the review. Requires the commission to determine the cost, and requires the district to pay the amount promptly on receipt of a statement from the commission detailing the cost.

SECTION 7. LOWER COLORADO RIVER AUTHORITY. Amends Chapter 8503, Special District Local Laws Code, by adding Section 8503.0021, as follows:

Sec. 8503.0021. APPLICATION OF SUNSET ACT. (a) Provides that the Lower Colorado River Authority (LCRA) is subject to review under Chapter 325, Government Code, but may not be abolished under that chapter. Prohibits the review from including the management of the generation or transmission of electricity under the wholesale electricity operation of LCRA and LCRA's affiliated nonprofit corporations. Requires that the review be conducted under Section 325.025, Government Code, as if LCRA were a state agency scheduled to be abolished September 1, 2019, and every 12th year after that year.

(b) Authorizes the state auditor, in anticipation of the sunset review under Subsection (a), based on the results of an audit, including a performance-related audit, conducted by the state auditor before December 1, 2016, to make recommendations to the legislature, including whether a review conducted under Subsection (a) should include the financial operation and management of the generation or transmission of electricity under the wholesale electricity operation of LCRA and LCRA's affiliated nonprofit corporations.

(c) Requires LCRA to pay the cost incurred by the commission in performing the review under Subsection (a). Requires the commission to determine the cost, and requires LCRA to pay the amount promptly on receipt of a statement from the commission detailing the cost.

SECTION 8. LOWER COLORADO RIVER AUTHORITY. Amends Section 8503.015, Special District Local Laws Code, as follows:

Sec. 8503.015. New heading: AUDITS. (a) Creates this subsection from existing text and makes no further change to this subsection.

(b) Provides that LCRA is subject to the audit provisions of Chapter 321 (State Auditor), Government Code. Provides that this subsection expires January 1, 2017.

SECTION 9. LOWER NECHES VALLEY AUTHORITY. Amends Subchapter A, Chapter 8504, Special District Local Laws Code, by adding Section 8504.0021, as follows:

Sec. 8504.0021. APPLICATION OF SUNSET ACT. (a) Provides that the Lower Neches Valley Authority (authority) is subject to review under Chapter 325, Government Code, but may not be abolished under that chapter. Requires that the review be conducted under Section 325.025, Government Code, as if the authority were a state agency scheduled to be abolished September 1, 2021, and every 12th year after that year.

(b) Requires the authority to pay the cost incurred by the commission in performing the review. Requires the commission to determine the cost, and requires the authority to pay the amount promptly on receipt of a statement from the commission detailing the cost.

SECTION 10. NUECES RIVER AUTHORITY. Amends Chapter 427, Acts of the 44th Legislature, 1st Called Session, 1935, by adding Section 1.02A, as follows:

Sec. 1.02A. APPLICATION OF SUNSET ACT. (a) Provides that the Nueces River Authority (authority) is subject to review under Chapter 325, Government Code, but may not be abolished under that chapter. Requires that the review be conducted under Section 325.025, Government Code, as if the authority were a state agency scheduled to be abolished September 1, 2019, and every 12th year after that year.

(b) Requires the authority to pay the cost incurred by the commission in performing the review. Requires the commission to determine the cost, and requires the authority to pay the amount promptly on receipt of a statement from the commission detailing the cost.

SECTION 11. PALO DURO RIVER AUTHORITY. Amends Chapter 438, Acts of the 63rd Legislature, Regular Session, 1973, by adding Section 1A, as follows:

Sec. 1A. (a) Provides that the Palo Duro River Authority (authority) is subject to review under Chapter 325, Government Code, but may not be abolished under that chapter. Requires that the review be conducted under Section 325.025, Government Code, as if the authority were a state agency scheduled to be abolished September 1, 2017, and every 12th year after that year.

(b) Requires the authority to pay the cost incurred by the commission in performing the review. Requires the commission to determine the cost, and requires the authority to pay the amount promptly on receipt of a statement from the commission detailing the cost.

SECTION 12. RED RIVER AUTHORITY OF TEXAS. Amends Chapter 279, Acts of the 56th Legislature, Regular Session, 1959, by adding Section 1A, as follows:

Sec. 1A. (a) Provides that the Red River Authority of Texas (authority) is subject to review under Chapter 325, Government Code, but may not be abolished under that chapter. Requires that the review be conducted under Section 325.025, Government Code, as if the authority were a state agency scheduled to be abolished September 1, 2019, and every 12th year after that year.

(b) Requires the authority to pay the cost incurred by the commission in performing the review. Requires the commission to determine the cost, and requires the authority to pay the amount promptly on receipt of a statement from the commission detailing the cost.

SECTION 13. SABINE RIVER AUTHORITY OF TEXAS. Amends Chapter 110, Acts of the 51st Legislature, Regular Session, 1949, by adding Section 2A, as follows:

Sec. 2A. (a) Provides that the Sabine-Neches Conservation District (district) is subject to review under Chapter 325, Government Code, but may not be abolished under that chapter. Requires that the review be conducted under Section 325.025, Government Code, as if the district were a state agency scheduled to be abolished September 1, 2021, and every 12th year after that year.

(b) Requires the district to pay the cost incurred by the commission in performing the review. Requires the commission to determine the cost, and requires the district to pay the amount promptly on receipt of a statement from the commission detailing the cost.

SECTION 14. BRAZOS RIVER AUTHORITY. Amends Chapter 8502, Special District Local Laws Code, by adding Section 8502.0021, as follows:

Sec. 8502.0021. APPLICATION OF SUNSET ACT. (a) Provides that the Brazos River Authority (authority) is subject to review under Chapter 325, Government Code, but may not be abolished under that chapter. Requires that the review be conducted under Section 325.025, Government Code, as if the authority were a state agency scheduled to be abolished September 1, 2021, and every 12th year after that year.

(b) Requires the authority to pay the cost incurred by the commission in performing the review. Requires the commission to determine the cost, and requires the authority to pay the amount promptly on receipt of a statement from the commission detailing the cost.

SECTION 15. SAN ANTONIO RIVER AUTHORITY. Amends Chapter 276, Acts of the 45th Legislature, Regular Session, 1937, by adding Section 1-a, as follows:

Sec. 1-a. APPLICATION OF SUNSET ACT. (a) Provides that the San Antonio River Canal and Conservancy District (district) is subject to review under Chapter 325, Government Code, but may not be abolished under that chapter. Requires that the review be conducted under Section 325.025, Government Code, as if the district were a state agency scheduled to be abolished September 1, 2023, and every 12th year after that year.

(b) Requires the district to pay the cost incurred by the commission in performing the review. Requires the commission to determine the cost, and requires the district to pay the amount promptly on receipt of a statement from the commission detailing the cost.

SECTION 16. SAN JACINTO RIVER AUTHORITY. Amends Chapter 426, Acts of the 45th Legislature, Regular Session, 1937, by adding Section 1A, as follows:

Sec. 1A. (a) Provides that the San Jacinto River Conservation and Reclamation District (district) is subject to review under Chapter 325, Government Code, but may not be abolished under that chapter. Requires that the review be conducted under Section 325.025, Government Code, as if the district were a state agency scheduled to be abolished September 1, 2021, and every 12th year after that year.

(b) Requires the district to pay the cost incurred by the commission in performing the review. Requires the commission to determine the cost, and requires the district to pay the amount promptly on receipt of a statement from the commission detailing the cost.

SECTION 17. SULPHUR RIVER BASIN AUTHORITY. Amends Sections 1A(a) and (c), Chapter 3, Acts of the 69th Legislature, 1st Called Session, 1985, as follows:

(a) Provides that the Sulphur River Basin Authority (authority) is subject to review under Chapter 325, Government Code, but may not be abolished under that chapter. Requires that the review be conducted under Section 325.025, Government Code, as if the authority were a state agency scheduled to be abolished September 1, 2017, and every 12th year after that year. Deletes existing text providing that unless the authority is continued in existence, the authority is abolished and this Act expires September 1, 2017. Makes a nonsubstantive change.

(c) Requires the authority to pay the cost incurred by the commission in performing the review. Requires the commission to determine the costs, and requires the authority to pay the amount promptly on receipt of a statement from the commission detailing the costs. Makes nonsubstantive changes.

SECTION 18. TRINITY RIVER AUTHORITY OF TEXAS. Amends Chapter 518, Acts of the 54th Legislature, Regular Session, 1955, by adding Section 1A, as follows:

Sec. 1A. (a) Provides that the Trinity River Authority of Texas (authority) is subject to review under Chapter 325, Government Code, but may not be abolished under that chapter. Requires that the review be conducted under Section 325.025, Government Code, as if the authority were a state agency scheduled to be abolished September 1, 2023, and every 12th year after that year.

(b) Requires the authority to pay the cost incurred by the commission in performing the review. Requires the commission to determine the cost, and requires the authority to pay the amount promptly on receipt of a statement from the commission detailing the cost.

SECTION 19. UPPER COLORADO RIVER AUTHORITY. Amends Chapter 126, General Laws, Acts of the 44th Legislature, Regular Session, 1935, by adding Section 1A, as follows:

Sec. 1A. (a) Provides that the Upper Colorado River Authority (district) is subject to review under Chapter 325, Government Code, but may not be abolished under that chapter. Requires that the review be conducted under Section 325.025, Government Code, as if the district were a state agency scheduled to be abolished September 1, 2017, and every 12th year after that year.

(b) Requires the district to pay the cost incurred by the commission in performing the review. Requires the commission to determine the cost, and requires the district to pay the amount promptly on receipt of a statement from the commission detailing the cost.

SECTION 20. UPPER GUADALUPE RIVER AUTHORITY. Amends Chapter 5, page 1062, Special Laws, Acts of the 46th Legislature, Regular Session, 1939, by adding Section 1A, as follows:

Sec. 1A. (a) Provides that the Upper Guadalupe River Authority (district) is subject to review under Chapter 325, Government Code, but may not be abolished under that chapter. Requires that the review be conducted under Section 325.025, Government Code, as if the district were a state agency scheduled to be abolished September 1, 2021, and every 12th year after that year.

(b) Requires the district to pay the cost incurred by the commission in performing the review. Requires the commission to determine the cost, and requires the district to pay the amount promptly on receipt of a statement from the commission detailing the cost.

SECTION 21. REPEALER. Repealer: Sections 1A(b) and (d), Chapter 3, Acts of the 69th Legislature, 1st Called Session, 1985.

SECTION 22. EFFECTIVE DATE. Effective date: upon passage or September 1, 2015.