

BILL ANALYSIS

C.S.H.B. 1920
By: Flynn
Natural Resources
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The Palo Duro River Authority of Texas is subject to limited review under the Texas Sunset Act. C.S.H.B. 1920 seeks to revise and update the authority's enabling legislation and includes statutory modifications recommended by the Sunset Advisory Commission.

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.H.B. 1920 amends Chapter 438, Acts of the 63rd Legislature, Regular Session, 1973, to revise and update the governing provisions of the Palo Duro River Authority of Texas. The bill reclassifies the authority as the Palo Duro Water District, revises provisions relating to the district's territory and board of directors, revises provisions relating to the district's authority to undertake certain water projects inside or outside the boundaries, revises the waters over which the district has jurisdiction, and revises the district's authority regarding the sale, trade, or disposition of real or personal property and provisions relating to the construction of a dam. The bill removes the prohibition against the district developing or otherwise acquiring underground sources of water.

C.S.H.B. 1920 removes imprisonment as a penalty for the breach of a district regulation, removes the prohibition against territory being detached from the district after the issuance of bonds payable from revenues or taxes or from both revenues and taxes, revises provisions for bonds issued by the district to meet certain interest bearing requirements, removes the requirement that taxes levied by the district constitute a lien on the property against which the taxes are levied, and revises provisions relating to consideration of pledged revenue with respect to a determination of the property tax rate backing applicable bonds. The bill authorizes the district to develop and generate electric energy by means of renewable energy resources inside the boundaries of the district and distribute and sell electric energy to an entity that operates in the Electric Reliability Council of Texas power region, an entity that operates in the Southwest Power Pool power region, or an electric cooperative that operates in Texas. The bill expressly does not require such an entity to build a new transmission line and establishes that grid interconnection made for the purposes of such authorization does not subject an entity to the jurisdiction of the Federal Energy Regulatory Commission and does not affect the jurisdiction of the commission over an entity over which the Texas Commission on Environmental Quality already has jurisdiction. The bill authorizes the district to lease the hunting rights on property

owned by the district and develop, manage, or lease property owned by the district for any recreational purpose. The bill provides that a county or municipality may withdraw from the district or that the district may dissolve according to the procedures set out in the bill for such withdrawal or dissolution, including a requirement that the member entities reach a certain financial agreement.

C.S.H.B. 1920 requires the district's board of directors to develop and implement policies that provide the public with a reasonable opportunity to appear before the board and to speak on any agenda item at board meetings. The bill sets out provisions relating to a disclosure of certain financial interest by a director; removal of a director for inefficiency, neglect of duty, or misconduct in office; complaints filed with the district; and a district policy to encourage the use of negotiated rulemaking procedures and appropriate alternative dispute resolution procedures. The bill requires the board to develop and implement policies that clearly separate the policymaking responsibilities of the board and the management responsibilities of the general manager and staff of the district.

C.S.H.B. 1920 prohibits a person who is appointed to and qualifies for office as a director from voting, deliberating, or being counted as a director in attendance at a meeting of the board until the person completes a training program. The bill sets out provisions relating to such program and includes a temporary provision set to expire January 1, 2018, authorizing a person serving on the district's board of directors to vote, deliberate, and be counted as a director in attendance at a meeting of the board until December 1, 2017, notwithstanding this prohibition.

C.S.H.B. 1920 amends the Government Code to remove the district from limited review under the Texas Sunset Act.

C.S.H.B. 1920 repeals provisions relating to a county's authority to be detached from the district before the issuance of district bonds.

C.S.H.B. 1920 repeals the following provisions of Chapter 438, Acts of the 63rd Legislature, Regular Session, 1973:

- Section 1A
- Section 2A
- Section 2B
- Section 4
- Section 13(e)
- Section 28(i)
- Section 30

C.S.H.B. 1920 repeals the following provisions:

- Section 9, Chapter 115, Acts of the 64th Legislature, Regular Session, 1975
- Section 6, Chapter 17, Acts of the 68th Legislature, Regular Session, 1983
- Section 4, Chapter 651, Acts of the 70th Legislature, Regular Session, 1987

EFFECTIVE DATE

September 1, 2017.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 1920 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

SECTION 1. Sections 1, 2, 3, 5, 6, 7, 8, 9, 10, 11, and 12, Chapter 438, Acts of the 63rd Legislature, Regular Session, 1973, are amended to read as follows:

Secs. 1-3.

Sec. 5. No dam or other facilities for impounding water shall be constructed until the plans therefor are approved by the commission [~~Texas Water Rights Commission~~]. The district [~~Authority~~] is not authorized to develop or otherwise acquire underground sources of water.

The district [~~Authority~~] may sell, trade, or otherwise dispose of any real or personal property deemed by the district [~~this Commission~~] not to be needed for district [~~Authority~~] purposes, subject to the terms of any deed of trust or other indenture [~~issued by the Commission~~].

Secs. 6-12.

SECTION 2. Sections 13(a), (b), (c), and (d), Chapter 438, Acts of the 63rd Legislature, Regular Session, 1973, are amended.

SECTION 3. Sections 14, 15, 16, 17, 18, and 19, Chapter 438, Acts of the 63rd Legislature, Regular Session, 1973, are amended.

SECTION 4. Sections 20(a), (b), (d), (e), (f), (g), (h), and (i), Chapter 438, Acts of the 63rd Legislature, Regular Session, 1973, are amended.

SECTION 5. Sections 21 and 22, Chapter 438, Acts of the 63rd Legislature, Regular Session, 1973, are amended.

SECTION 6. Sections 23(a), (b), and (c), Chapter 438, Acts of the 63rd Legislature, Regular Session, 1973, are amended.

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Sections 1, 2, 3, 5, 6, 7, 8, 9, 10, 11, and 12, Chapter 438, Acts of the 63rd Legislature, Regular Session, 1973, are amended to read as follows:

Secs. 1-3. Same as introduced version.

Sec. 5. (a) The district may not construct a [~~No~~] dam or other facility [~~facilities~~] for impounding water [~~shall be constructed~~] until the plans therefor are approved by the commission [~~Texas Water Rights Commission~~]. [~~The Authority is not authorized to develop or otherwise acquire underground sources of water.~~]

(b) The district [~~Authority~~] may sell, trade, or otherwise dispose of any real or personal property deemed by the district [~~this Commission~~] not to be needed for district [~~Authority~~] purposes, subject to the terms of any deed of trust or other indenture [~~issued by the Commission~~].

Secs. 6-12. Same as introduced version.

SECTION 2. Same as introduced version.

SECTION 3. Same as introduced version.

SECTION 4. Same as introduced version.

SECTION 5. Same as introduced version.

SECTION 6. Same as introduced version.

SECTION 7. Sections 24, 25, 26, and 27, Chapter 438, Acts of the 63rd Legislature, Regular Session, 1973, are amended.

SECTION 8. Sections 28(a), (b), (d), (e), (f), and (h), Chapter 438, Acts of the 63rd Legislature, Regular Session, 1973, are amended.

SECTION 9. Chapter 438, Acts of the 63rd Legislature, Regular Session, 1973, is amended by amending Section 29 and adding Sections 1B, 13A, 19A, 19B, 19C, 19D, 19E, 19F, and 19G to read as follows:

Sec. 29.

Sec. 1B. In this Act:

(1)-(4)

No equivalent provision.

No equivalent provision.

No equivalent provision.

No equivalent provision.

SECTION 7. Substantially the same as introduced version.

SECTION 8. Same as introduced version.

SECTION 9. Chapter 438, Acts of the 63rd Legislature, Regular Session, 1973, is amended by amending Section 29 and adding Sections 1B, 3A, 3B, 3C, 13A, 19A, 19B, 19C, 19D, 19E, 19F, and 19G to read as follows:

Sec. 29. Same as introduced version.

Sec. 1B. In this Act:

(1)-(4) Same as introduced version.

(5) "Member entity" means a county or municipality that is a member of the district.

Sec. 3A. The district may:

(1) develop and generate electric energy by means of renewable energy resources inside the boundaries of the district; and

(2) distribute and sell electric energy to:

(A) an entity that operates in the Electric Reliability Council of Texas power region;

(B) an entity that operates in the Southwest Power Pool power region; or

(C) an electric cooperative, as defined by Section 161.002, Utilities Code, that operates in this state.

Sec. 3B. Section 3A does not require an entity described by that section to build a new transmission line. Grid interconnection made for the purposes of Section 3A does not subject an entity described by that section to the jurisdiction of the Federal Energy Regulatory Commission and does not affect the jurisdiction of the Federal Energy Regulatory Commission over an entity over which the commission already has jurisdiction.

Sec. 3C. The district may:

(1) lease the hunting rights on property owned by the district; and

(2) develop, manage, or lease property owned by the district for any recreational

purpose.

Sec. 13A.

Sec. 13A. Substantially the same as introduced version.

Secs. 19A-19G.

Sec. 19A-19G. Same as introduced version.

SECTION 10. Section 325.025(b), Government Code, is amended to read as follows:

SECTION 10. Same as introduced version.

- (b) This section applies to the:
 - (1) Angelina and Neches River Authority;
 - (2) Bandera County River Authority and Groundwater District;
 - (3) Brazos River Authority;
 - (4) Central Colorado River Authority;
 - (5) Guadalupe-Blanco River Authority;
 - (6) Lavaca-Navidad River Authority;
 - (7) Lower Colorado River Authority;
 - (8) Lower Neches Valley Authority;
 - (9) Nueces River Authority;
 - (10) [~~Palo Duro River Authority of Texas;~~ ~~(11)~~ Red River Authority of Texas;
 - (11) [~~(12)~~] Sabine River Authority of Texas;
 - (12) [~~(13)~~] San Antonio River Authority;
 - (13) [~~(14)~~] San Jacinto River Authority;
 - (14) [~~(15)~~] Sulphur River Basin Authority;
 - (15) [~~(16)~~] Trinity River Authority of Texas;
 - (16) [~~(17)~~] Upper Colorado River Authority; and
 - (17) [~~(18)~~] Upper Guadalupe River Authority.

SECTION 11. (a) The following sections of Chapter 438, Acts of the 63rd Legislature, Regular Session, 1973, are repealed:

SECTION 11. Same as introduced version.

- (1) Section 1A;
- (2) Section 2A;
- (3) Section 2B;
- (4) Section 4;
- (5) Section 13(e);
- (6) Section 28(i); and
- (7) Section 30.
- (b) The following sections are repealed:
 - (1) Section 9, Chapter 115, Acts of the 64th Legislature, Regular Session, 1975;
 - (2) Section 6, Chapter 17, Acts of the 68th Legislature, Regular Session, 1983; and
 - (3) Section 4, Chapter 651, Acts of the 70th Legislature, Regular Session, 1987.

SECTION 12. (a) Notwithstanding Section

SECTION 12. Same as introduced version.

19D(a), Chapter 438, Acts of the 63rd Legislature, Regular Session, 1973, as added by this Act, a person serving on the board of directors of the Palo Duro Water District, as renamed by this Act, may vote, deliberate, and be counted as a director in attendance at a meeting of the board until December 1, 2017.

(b) This section expires January 1, 2018.

SECTION 13. (a) The legal notice of the intention to introduce this Act, setting forth the general substance of this Act, has been published as provided by law, and the notice and a copy of this Act have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code.

(b) The governor, one of the required recipients, has submitted the notice and Act to the Texas Commission on Environmental Quality.

(c) The Texas Commission on Environmental Quality has filed its recommendations relating to this Act with the governor, the lieutenant governor, and the speaker of the house of representatives within the required time.

(d) All requirements of the constitution and laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this Act are fulfilled and accomplished.

SECTION 14. This Act takes effect September 1, 2017.

SECTION 13. Same as introduced version.

SECTION 14. Same as introduced version.