

- SUBJECT:** Modifying special purpose district website and meeting requirements
- COMMITTEE:** Natural Resources — committee substitute recommended
- VOTE:** 10 ayes — T. King, Harris, Bowers, Kacal, Lucio, Paul, Price, Ramos, Walle, Wilson
- 0 nays
- 1 absent — Larson
- SENATE VOTE:** On final passage, April 19 — 31-0, on Local and Uncontested Calendar
- WITNESSES:** For — Trey Lary, Association of Water Board Directors-Texas; (*Registered, but did not testify:* Jim Short, Fort Bend County and Houston Real Estate Council; Brian Sledge, San Antonio River Authority; Peyton Schumann, Texas and Southwestern Cattle Raisers Association; Scott Norman, Texas Association of Builders; Mike Hodges, Texas Press Association)
- Against — None
- BACKGROUND:** It has been suggested that financial and operating information of special purpose districts should be made more transparent and accessible to those who may live in them.
- DIGEST:** CSSB 526 would require certain special purpose districts to post or cause to be posted on a website:
- the name of the district and certain information about the district's governing body;
  - contact information for the district and each member of the governing body;
  - information related to certain individuals employed or contracted by the district;

- rates of property and sales taxes imposed by the district, if any;
- any required notice of a tax hearing;
- the location and schedule of district meetings;
- a statement of district residents' right to request a designated meeting place for the district;
- each notice of, and the minutes of, certain meetings of the governing body for the current and preceding year; and
- the district's most recent financial audit.

This requirement would apply only to a special purpose district that:

- was authorized by the state by a general or special law to impose a property tax;
- during the most recent fiscal year had imposed a property tax;
- during the most recent fiscal year had 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, had a population of 500 or more.

Links to the website or websites used to comply with the bill's requirements or with certain other online posting requirements under the Tax Code would have to be included:

- in the Special Purpose District Public Information Database;
- on a website maintained by certain districts with a population of 500 or more; and
- on a customer's water bill from certain water districts that did not maintain a website.

CSSB 526 would require the board of a rural area district that conducted meetings at least quarterly to conduct a meeting at a designated location inside the district or within 10 miles of the boundary of the district at least once per quarter. If it was not practical to meet within 10 miles of the

boundary, the district could conduct the meeting at another place in the county in which the district was located. The bill would define a rural area district as a district in which more than half of the district's projected retail water or sewer connections were active and that was 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.

The bill would take effect September 1, 2021, and would apply only to a special purpose district meeting held on or after that date.