

BILL ANALYSIS

Senate Research Center
79R8866 HLT-D

S.B. 1045
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Natural Resources
4/14/2005
As Filed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Current Texas law requires water district board members (board) and employees who handle funds for the general law district (district) to furnish a bond, payable to the district, in an amount determined by the board to be sufficient to safeguard the district from bad acts by that individual. At the time the statute was written, bonds were the most sensible option for such coverage. Districts can obtain similar coverage from insurance companies or under an interlocal agreement at much lower rates than a bond.

As proposed, S.B. 1045 authorizes districts to obtain coverage from insurance companies or under an interlocal agreement, if the board determines that such coverage would adequately protect the interests of the 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. Amends Section 49.057, Water Code, by amending Subsection (e) and adding Subsection (i), as follows:

(e) Provides an exception to this subsection as provided by Subsection (i).

(i) Authorizes the governing board (board) of a general law district (district) to obtain or require an officer, employee, or consultant of the district to obtain insurance that covers theft of district funds by officers, employees, or consultants of the district in lieu of requiring a bond under Subsection (e), if the board determines that the insurance would adequately protect the interests of the district.

SECTION 2. Effective date: September 1, 2005.