

## **BILL ANALYSIS**

Senate Research Center  
84R22445 TSR-D

H.B. 2528  
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Natural Resources & Economic Development  
5/20/2015  
Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Interested parties note concerns in certain counties in which the unincorporated areas are well populated and the sales tax rate is at its maximum that these counties and their water districts have limited means by which to fund critical economic development programs. These districts, the parties continue, are currently unable to receive voluntary contributions from residents. H.B. 2528 seeks to allow certain districts to accept donations to provide community and economic development services that will benefit the economic health of the district and surrounding community.

H.B. 2528 amends current law relating to the authority of a water district to accept donations to fund certain economic development programs.

### **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 Subchapter H, Chapter 49, Water Code, by adding Section 49.2291, as follows:

Sec. 49.2291. DONATIONS FOR ECONOMIC DEVELOPMENT. (a) Defines "economic development program" in this section.

(b) Provides that this section applies only to a district located in the unincorporated area of a county with a population of four million or more.

(c) Authorizes a district to accept a donation in any form from any source approved by the governing body of a district or authority created by authority of certain Articles in the Texas Constitution (board) to provide funds to a nonprofit organization providing economic development programs that the board determines will preserve property values in the district.

(d) Authorizes a contract with a nonprofit organization providing economic development programs described by Subsection (c) to include the specific uses of donations collected by the district on behalf of the nonprofit organization under this section.

(e) Requires a contract entered into under Subsection (d) to require the nonprofit organization administering the program to:

(1) maintain accounting records and funds independent of all other funds unrelated to the program;

(2) make the records maintained under Subdivision (1) available for public inspection at reasonable times;

(3) have an annual independent audit made of the accounting records and funds;

(4) use the funds only for programs in a county described by Subsection (b); and

(5) reimburse the district for costs of collection incurred by the district, except to the extent that the district agrees to bear those costs.

(f) Requires that all records of the administrator of an economic development program, unless protected from disclosure under Chapter 552 (Public Information), Government Code, be public information, as defined by Section 552.002 (Definition of Public Information; Media Containing Public Information), Government Code.

(g) Authorizes a district providing potable water or sewer service, as part of its billing process, to collect from customers voluntary donations on behalf of a nonprofit organization providing economic development programs described by Subsection (c). Requires a district that collects voluntary donations under this subsection to give reasonable notice to customers that the donations are voluntary. Requires that the bill identify the exact amount of the donation and include a telephone number the customer can call to have the donation deleted from the bill and any future bills issued to that customer if a donation is included in the total amount of a district's bill to a customer. Provides that water and sewer service may not be terminated as a result of failing to pay a voluntary donation.

SECTION 2. Effective date: upon passage or September 1, 2015.