



78th Legislative Session Wrap-up

Texas Water Development Board

August 2003

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General Appropriations Act

Total appropriations for the 2004-2005 biennium for the State of Texas total \$117.4 billion from all fund sources, an increase of \$1,602 million or 1.4 percent from the 2002-2003 biennial level. The areas with the highest levels of increase were in Regulatory (7.3%), Health and Human Services (2.8%) and General Government (5.4%). Appropriations for Natural Resources decreased by 6.4 percent from the 2002-2003 level.

The Texas Water Development Board's (Board) current operational budget was funded from all funds at \$75,546,455 for the biennium with a Full-Time Equivalent positions (FTE) cap at 311.5¹. Sufficient general revenue funds were appropriated to fund the biennial debt service for bonds issued through the Economically Distressed Areas Program (EDAP), the State Participation Program and the Agricultural Water Conservation Program. For the 2004-2005 biennium, the Board received authorization and debt service appropriation to issue \$25 million in bonds for EDAP. No authorization was given to issue additional State Participation bonds.

Riders of Note

- A rider appropriating \$7.4 million in general revenue for the biennium for grants to Regional Water Planning Groups and for Groundwater Availability Modeling.
- A rider appropriating \$7.2 million in general revenue for the biennium for the state match portion of the community/non-community water system and economically disadvantaged community accounts in the Drinking Water State Revolving Fund.
- A rider authorizing the Board to spend up to \$275,000 during the biennium for research and studies relating to increasing aquifer recharge characteristics of the playa lakes in the High Plains.
- A rider appropriating \$830,000 out of funds from the Texas Water Resources Finance Authority for loans out of the Rural Community Water and Wastewater Loan Program, bringing the total amount for the program to \$1,350,000.
- A rider authorizing the Board to use up to \$1.5 million out of the Water Assistance Fund during the biennium for competitively awarded grants for desalination projects, research and regional studies.
- A rider providing appropriation authority to the Board to transfer funds to the Colonia Self-Help Account and to use those funds for the intended purposes.
- A rider providing appropriation authority to the Board to spend funds from the Rural Water Assistance Fund.
- A rider authorizing the Board to use \$400,000 in funds originally appropriated by the 76th Legislature, to provide grants to counties with a population of greater than two million but less than two and one-half million, for the relocation of residents unable to utilize funds as originally intended.
- A rider directing the Board to enter into an interagency contact with the Texas Department of Health for reimbursement of costs incurred by the Department of Health, not to exceed \$250,000 for the

¹ This includes four FTEs that were authorized to implement a disadvantaged communities pilot program in the Clean Water State Revolving Fund Program

biennium, in conducting nuisance surveys for applicants for financial assistance through the Economically Distressed Areas Program.

- A rider directing the Board to spend \$15,450 out of funds appropriated, to conduct research, feasibility and facility planning studies, investigations and surveys to further the development of cost-effective water supplies from seawater desalination.

Summary of Strategies and Method of Finance

<u>Strategy</u>	<u>FY 2004</u>	<u>FY 2005</u>
A.1.1. Data Collection and Dissemination	\$10,019,599	\$10,058,723
A.1.2. Water Planning	10,314,516	10,076,700
A.2.1. Conservation Assistance	606,830	613,840
B.1.1. Financial Assistance	11,056,691	11,291,531
B.1.2. Economically Distressed Areas	1,566,293	1,745,578
C.1.1. Central Administration	2,675,975	2,681,455
C.1.2. Information Resources	861,478	861,478
C.1.3. Other Support Services	557,953	557,815
<i>Strategy Total</i>	<i>\$37,659,335</i>	<i>\$37,887,120</i>
<u>Method of Finance</u>		
General Revenue (GR)	\$18,956,131	\$19,148,898
Earned Federal Funds	469,904	465,586
<i>Sub-Total GR</i>	<i>\$19,426,035</i>	<i>\$19,614,484</i>
<i>GR-Dedicated, Ag Soil & Water Conservation</i>	<i>115,000</i>	<i>115,000</i>
<i>Federal Funds</i>	<i>3,814,787</i>	<i>3,819,052</i>
<u>Other Funds</u>		
Agricultural Trust Fund	232,413	232,413
Appropriated Receipts	12,615,122	11,793,051
Interagency Contracts	224,122	234,314
Water Assistance Fund	1,231,856	2,078,806
<i>Sub-Total Other Funds</i>	<i>\$14,303,513</i>	<i>\$14,338,584</i>
TOTAL	\$37,659,335	\$37,887,120
Number of Full-Time Equivalent Positions (FTEs)	311.5	311.5

General Appropriations Act Article IX

General Provisions

Significant Items

Travel Meals and Lodging Expenses

Allows employees traveling outside their designated headquarters for less than 6 hours to be reimbursed for a meal expense if they receive written approval from the Executive Administrator, meet the Comptroller rules and comply with Government Code Sec 660.206.

Limitation on State Employment Levels

FTE cap limitation does not apply to staff (permanent, temporary or contract) whose employment is associated with implementation of a project that is 100 percent federally funded.

Limitation on Expenditures - Capital Budget

Changes the definition of capital budget items to a biennial project cost or unit cost in excess of \$25,000.

Limitation on Expenditures - Capital Budget

Does not allow appropriation to be transferred from a non-capital budget item to an additional capital budget item not presented in the agency's bill pattern without Legislative Budget Board (LBB) and Governor approval.

Limitation on Expenditures - Capital Budget

Does not allow appropriation to be transferred to an additional capital budget item not in the bill pattern if the additional capital budget item was presented but not adopted by the 78th Legislature, unless the transfer is approved by the LBB and Governor.

Budgeting and Reporting

Changes the due date of the itemized budget covering operation of that fiscal year to December 1.

Federal Funds/Block Grants

Requires that an agency receiving at least \$5 million in non-emergency federal funds from programs not anticipated in the General Appropriations Act (GAA) notify the LBB and Governor of the receipt of the funds and provide a written plan outlining the use of the funds. The LBB and Governor have 14 days to disapprove.

Efficient Use of State Owned and Leased Space

Requires that if an agency obtains a lease at a rate lower than existing lease amounts, the Comptroller is to reduce 2004-2005 funds appropriated by an amount equal to the lease costs that would have been incurred, less moving and finish-out costs.

Incentive and Productivity

Requires that up to 10 percent of the annual net savings/revenues attributable to a suggestion be transferred to the Texas Incentive and Productivity Commission.

Contingency Rider

States that the intent of the Legislature that appropriations only be spent for purposes and programs specifically funded in the GAA. Agencies are not required to reallocate or redistribute funds to provide for programs or legislation adopted, but not appropriated.

Reduction of Management Costs

Directs that appropriations will be reduced for FY04 and FY05 from General Revenue, General Revenue-Dedicated and Federal Funds due to the management to staff ratio reductions. The Comptroller will make reductions consistent with statutory provisions.

Retirement Incentives

Directs that the Comptroller will reduce up to 35 percent of retiring employee's average monthly salary multiplied by the number of whole months remaining in the biennium after the effective date of the employee's retirement. Stipulates that 8/31/03 retirements will have an effective date of 9/1/03 for purposes of this subsection. The 35 percent reduction will be apportioned appropriately between FY04 and FY05. The method of financing will be based on the funding of salary during the 24 months prior to retirement.

Surplus Property

Receipts from sale of surplus property pursuant to Government Code, Chapter 2175, and originally purchased with general revenue shall be deposited in General Revenue and not appropriated for expenditure.

TWDB

HB 7

by Talmadge Heflin

Senate Sponsor: Teel Bivins

Relating to making supplemental appropriations and making reductions in current appropriations

Provides for supplemental appropriations to specific agencies and identifies the source of fund for the supplemental appropriations. Also reduces general revenue appropriations to listed agencies and funds for fiscal year 2003. The reductions were based on the agencies' submittal of the requested 7 percent reduction request based on legislative direction.

EFFECTIVE: June 23, 2003

HB 649

by Jim Keffer

Senate Sponsor: Craig Estes

Relating to creating an interagency work group on rural issues.

Creates an interagency work group on rural issues. The work group is specifically charged with: (1) developing a process to allow agencies to work together on issues that face rural communities; (2) discussing and coordinating programs and services offered to rural communities and residents of rural communities; and (3) developing regulatory and legislative recommendations that would eliminate duplication and combine program services.

The bill names twelve additional state agencies to the current twelve and it includes a "catch-all" provision naming additional agencies "interested in rural issues" to the workgroup. It also requires that each agency provide information to the workgroup showing the impact the agency has on rural communities for use in developing rural policy and compiling an annual report. The interagency is required to meet annually or at the call of the Executive Director of the Office of Rural Community Affairs. Meetings must be held in Austin, Texas.

EFFECTIVE: September 1, 2003

HB 1370

by Vilma Luna

Senate Sponsor: Eddie Lucio

Relating to the study and implementation of seawater desalination.

Requires the Texas Water Development Board (TWDB) to undertake and participate in research, feasibility, and facility planning studies, investigations and surveys, as it considers necessary, to further the development of cost-effective water supplies from seawater desalination. This bill also requires TWDB to prepare a biennial progress report on the implementation of seawater desalination activities in the State and submit it to the legislative leadership not later than December 1 of each even-numbered year and to actively pursue federal sources of funding for desalination projects in the State.

EFFECTIVE: May 15, 2003

HB 1378

by Charlie Geren

Senate Sponsor: Robert Duncan

Relating to certain duties and information regarding water planning and development.

This bill provides clean up language to several of the Texas Water Development Board's programs. Clean up provisions of the bill relate to: reporting requirements on the Aquifer Storage and Recovery pilot program, clarifying internal responsibilities of the Executive Administrator, water use survey data submitted by non-governmental entities, and deletion of a water pipeline inventory. The bill also contains provisions to allow landowners to request that information collected through field investigations for groundwater availability modeling purposes be kept confidential.

The bill includes changes to Water Code provisions that specifically relate to the Texas Water Advisory Council. The language clarifies that the council is created to provide the governor, Lt. governor, speaker, and legislature with a resource of a select council with expertise on state water issues. Membership on the council is increased from 13 members to 15 members. This bill also requires that one of the governor's appointees must represent the coastal region. Instead of the chair being appointed by the governor, the council will now elect its own chair. House Natural and Senate Natural Resource Committee staffs are now added to the list of staff who will assist the Council in its duties. Meetings of the Council will change from quarterly to semi-annually. Another significant change is related to the powers and duties of the council. Under the existing statutes the powers and duties are listed. This bill provides that the governor, Lt. governor and speaker may issue charges to the council. The council is only required to provide suggestions/recommendations of charges, unless the leadership does not issue charges in which case the council can set its own. The council is dissolved unless extended by the 79th legislature.

EFFECTIVE: June 20, 2003

HB 1875

by Miguel Wise

Senate Sponsor: Eddie Lucio

Relating to the water infrastructure fund, rural water assistance fund, rural community water and wastewater loan fund, and colonia self-help account; and to certain notes and bonds of water districts.

Provides that the Water Infrastructure Fund and the Rural Water Assistance Fund (RWAFF) are special funds, rather than accounts, in the state treasury, rather than general revenue fund, to be administered by the TWDB. Authorizes the RWAFF to be used to provide low-interest loans to rural political subdivisions for water quality enhancement projects (previously only authorized water or water-related projects). Provides that the Colonia Self-Help account is an account in the Water Assistance Fund, rather than in the general revenue fund, that may be used, rather than appropriated, by the TWDB. Removes the \$250,000 per project cap for loans through the TWDB's Rural Community Water and Wastewater Loan Fund. The bill also provides that General Law Districts (Chapter 49 of Water Code) adhere to the same requirements on bond issuance as it does for notes with the TWDB, if the district applies for funding from the North American Development Bank.

EFFECTIVE: June 20, 2003

HB 2485

by Scott Hochberg

Senate Sponsor: Bill Ratliff

Relating to internal auditing of state agencies.

The 77th Legislature passed HB 609, which extended the internal audit requirement to all state agencies that receive an appropriation. Conducting these audits when the situation necessitates rather than annually will more judiciously use small state agency funds. HB 2485 requires small agencies to complete an annual written risk assessment, and requires the state auditor to evaluate the risk assessments and recommend audits for those with significant financial, managerial or compliance risk, or significant risk related to the use of information technology.

EFFECTIVE: June 18, 2003

HB 3030

by Corbin Van Arsdale

Senate Sponsor: Jon Lindsay

Relating to notice of groundwater contamination that may affect a drinking water well.

Requires a state agency that documents a case of groundwater contamination to notify Texas Commission on Environmental Quality (TCEQ) of any contamination that may affect drinking water. Requires the TCEQ within 30 days of knowing about a contamination to notify by mail owners of private drinking water wells that may be contaminated.

EFFECTIVE: September 1, 2003

HB 3318

by Vilma Luna

Senate Sponsor: Teel Bivins

Relating to the creation and re-creation of funds and accounts in the state treasury, the allocation of revenue, the dedication and rededication of revenue, and the exemption of unappropriated money from use for general governmental purposes.

The 72nd Legislature enacted Section 403.094, Government Code, which related to the consolidation of funds in existence before August 31, 1993. That section also provided for the abolishment of dedications in existence prior to August 31, 1995, unless otherwise expressly exempted. H.B. 3318 provides regulations for the creation and recreation of funds and accounts in the state treasury, the dedication and rededication of revenue, and the exemption of unappropriated money from use for general governmental purposes.

Section 15 titled "Rural Water Assistance" specifically exempts both the Rural Water Assistance Fund (RWAFF) and the Water Infrastructure Fund (WIF) from consolidation and use of monies deposited in them for general governmental purposes.

EFFECTIVE: June 21, 2003

HB 3442

by Joseph Pickett

Senate Sponsor: Kip Averitt

Relating to certain expenditures, charges, and other financial matters of certain governmental entities.

Due to the current budget shortfall, state agencies and institutions of higher education were asked to prioritize spending based on core functions and essential services.

Legislators looked to these priorities in preparation of the budget; however, certain statutory changes are also needed to conform with appropriations levels in the 2004-05 General Appropriations Act. HB 3442 authorizes these statutory changes for the natural resources agencies listed under Article VI of the 2004-05 General Appropriations Act. HB 3442 also addresses the implementation of a new freshwater fishing stamp, changes in the Soil and Water Conservation Board and its brush control program, and the transfer of certain powers from the Railroad Commission of Texas to the Texas Department of Transportation. (See also **Employee Issues** and **Districts**)

EFFECTIVE: September 1, 2003

SB 526 by **Todd Staples** House Sponsor: **Rob Eissler**

Relating to the San Jacinto River Authority board of directors.

Currently, the San Jacinto River Authority board of directors is the only river authority board in the state appointed by the Texas Water Development Board (TWDB). All others are appointed by the governor. S.B. 526 would promote consistency in the appointment process and recognize the importance of water resources to the state by statutorily transferring appointment power from the TWDB to the Governor.

EFFECTIVE: September 1, 2003

SB 653 by **Jeff Wentworth** House Sponsor: **Todd Baxter**

Relating to the charges that may be imposed under the public information law for providing a copy of public information.

The bill makes three amendments to the Open Records Act. First, the bill clarifies the permissible charge for providing public information for fewer than 50 pages of records by allowing only the cost of making a photocopy for each page or paper record. Second, the bill adds an option for a requestor receiving an itemized cost statement to challenge the statement to the Texas Building and Procurement Commission (TBPC) as excessive. Third, the bill replaces General Services with the new name of TBPC as the agency who evaluates alleged overcharges for public records within 10 business days after receiving a complaint.

EFFECTIVE: September 1, 2003

SB 1053 by **Robert Duncan** House Sponsor: **Charlie Geren**

Relating to certain water pollution and conservation programs administered by the Texas Water Development Board.

Consolidates three existing financial assistance programs related to agricultural water conservation into one program and establishes a linked-deposit program for agricultural and nonpoint source pollution loans.

EFFECTIVE: September 1, 2003

SB 1084 by **Frank Madla** House Sponsor: **Chente Quintanilla**

Relating to interest-free loans from the Texas Water Development Board for water districts in economically distressed areas.

In 1989, the 71st Texas Legislature created the Economically Distressed Areas Program (EDAP) under the Texas Water Development Board (TWDB). These areas receive grants and/or loans from TWDB to provide water and wastewater services. EDAP counties are those counties that either have a per capita income 25 percent below the state average and unemployment 25 percent above the state average for the last three years, or are adjacent to an international border. SB 1084 would require that a loan received through the TWDB's EDAP program is interest-free for conservation and reclamation districts that are created under Section 52(b)(1) and (2), Article III or Section 59, Article XVI of the Texas Constitution.

EFFECTIVE: May 16, 2003

SB 1094

by Robert Duncan

House Sponsor: Robert Puente

Relating to the creation of a task force to evaluate matters regarding water conservation.

Establishes the Water Conservation Implementation Task Force in order to review, evaluate and recommend optimum levels of water use efficiency and conservation for all of Texas. Task Force members will be selected by the TWDB and TWDB will serve as the presiding officer.

By November 1, 2004, the Task Force must produce a Best Management Practices Guide for use by the regional water planning groups and water utility providers and a final report to the legislature. The Task Force is abolished on January 1, 2005.

EFFECTIVE: May 20, 2003

SB 1362

by Todd Staples

House Sponsor: Byron Cook

Relating to the development of a regional water supply reservoir project at the Lake Eastex reservoir site and the acquisition of the site and other property.

Currently, Lake Eastex is included in the 2002 State Water Plan. This bill sets forth the legislative determination that the Lake Eastex project in Cherokee and Smith counties is renamed Lake Columbia as a memorial to the seven astronauts who died in the Columbia space shuttle disaster. The bill also includes the following provisions: (1) that the legislature designates the site known as the Lake Columbia site on Mud Creek, a tributary of the Angelina River, in Cherokee and Smith counties, Texas, as a site of unique value for the construction of a dam and reservoir on Mud Creek, to impound up to 195,500 acre-feet of water held by the Angelina Neches River Authority (authority); (2) that using the state participation account of the Texas Water Development Fund II to encourage optimal regional development of the Lake Columbia project, the Texas Water Development Board (TWDB) is authorized to execute an agreement with the authority to acquire the entire or any undivided interest in the Lake Columbia site and other land needed for the project; (3) requires the authority to hold title in trust for TWDB; (4)

authorizes TWDB, using the state participation account of the Texas Water Development Fund II, to issue bonds to acquire up to 50 percent of any undivided interest in the Lake Columbia project, including the entire or any undivided interest in the site.

EFFECTIVE: June 20, 2003

SB 1664

by Kip Averitt

House Sponsor: Wayne Christian

Relating to private activity bonds.

Allows TWDB to apply for up to \$150 million of the state's private activity cap. Up to \$100 million must be for a "water development issue" which is added as a definition in the bill and includes large scale water supply projects.

EFFECTIVE: September 1, 2003

SCR 6

by Kip Averitt

House Sponsor: Chuck Hopson

Memorializing Congress to amend the Internal Revenue Code of 1986 to provide that the volume cap for private activity bonds not apply to bonds for water and wastewater facilities.

The Internal Revenue Code permits the issuance of "private activity bonds" for quasi-governmental purposes, including housing, utilities, education, etc. Federal law places a state-by-state cap on the total of these private activity bonds, as authorized under the 1986 Tax Reform Act. This cap hinders the ability of Texas to meet its rapidly growing water infrastructure needs and private activity bonds afford a cost-effective, nonrecourse means of financing the development of adequate wastewater and drinking water facilities for the future and minimize the risk to the ratepayer. Other sources of municipal infrastructure financing, such as general obligation bonds, revenue bonds, and loans under the federal Environmental Protection Agency's state revolving loan fund program, are insufficient to allow Texas to comply with new federal environmental and public health mandates. The cap on the volume of private activity bonds forces water and wastewater projects to compete with other projects in Texas without regard to the urgent priority of protecting public health and the environment. Removing the financing cap would give public officials the maximum number of tools for meeting the growing public demand for water services while ensuring compliance with federal environmental and public health laws. Senate Concurrent Resolution 6 would urge Congress to remove the cap for private activity bonds issued for water and wastewater facilities that require compliance with federal and local environmental and health laws.

SIGNED BY THE GOVERNOR: May 14, 2003

General Government

HB 9 **by Kino Flores** **Senate Sponsor: Florence Shapiro**

Relating to homeland security.

Creates the Critical Infrastructure Protection Council (council), made up of 13 state agencies, to serve as the operational advisory group for homeland security at the state level and as the center of coordinated and efficient flow of information, response, and recovery throughout the Governor's office and the various state agencies. Also creates the Texas Infrastructure Protection Communications Center to serve as the primary point of planning, coordination and integration of government communications capabilities to ensure effective response in the event of a homeland security emergency.

EFFECTIVE: June 22, 2003

HB 43 **by Warren Chisum** **Senate Sponsor: Kenneth Armbrister**

Relating to the funding of and the making of grants by the Texas Council on Environmental Technology.

Requires a person on the council to disclose the fact of employment by or ownership of an applying entity and prohibits that person from voting or participating in the awarding of a grant for that entity. This bill also adds certain actions the council is required to take to assist in developing solutions for certain problems and authorizes the council to collect a fee from a grant recipient under certain conditions.

EFFECTIVE: May 14, 2003

HB 145 **by Burt Solomons** **Senate Sponsor: Troy Fraser**

Relating to workers' compensation dispute resolution.

Under current law, a claimant may sue an insurance carrier to enforce compliance with a final order or decision rendered by the Texas Workers' Compensation Commission (TWCC). Current law also provides for an administrative penalty for failure to comply with an order from TWCC. These provisions may not be effective due to delays and litigation costs the claimant incurs and the lack of enforcement by the court system. Despite being authorized to issue interlocutory orders by the 76th Legislature, TWCC's authority may have been limited due to the language of the law. H.B. 145 clarifies TWCC's authority to enforce its orders.

EFFECTIVE: September 1, 2003

HB 543 **by Jesse Jones** **Senate Sponsor: Jon Lindsay**

Relating to certain restrictions on the delivery or installation of a new or used manufactured home in a flood-prone area.

Prohibits, unless in compliance with applicable laws, a manufactured home retailer, broker, or salesperson from delivering or installing a manufactured home in a Federal Emergency Management Agency designated flood hazard area. This bill also requires a

consumer, prior to closing on the acquisition, to provide evidence that the manufactured home will not be located in a flood hazard area in a manner that violates applicable laws.

EFFECTIVE: June 20, 2003

HB 599

by Warren Chisum

Senate Sponsor: Mike Jackson

Relating to the continuation and functions of the State Bar of Texas and to conflicts of interest with respect to certain persons engaged in the practice of law.

The State Bar of Texas operates as both a regulatory agency and a professional association. It is a quasi-governmental agency of the judicial branch with jurisdiction over more than 70,000 attorneys who are required to be members of the bar. The state bar is subject to the Sunset Act and will be abolished in 2003 unless continued in existence by the legislature. H.B. 599 continues the state bar for the standard 12-year period but requires increased accountability through strategic planning and performance-based budgeting. Additionally, the Bill provides that the supreme court shall set an additional civil legal services fee in an amount that is not less than \$65 to be paid annually by each active member of the state bar. The Supreme Court shall review the amount of the fee at least biennially and may, subject to the requirements of this subsection, modify the amount. The Supreme Court may not increase the amount of the fee to an amount that exceeds 120 percent of the lowest fee imposed under this subsection during the preceding year.

EFFECTIVE: September 1, 2003

HB 845

by Charlie Howard

Senate Sponsor: John Carona

Relating to preferences in state purchasing.

The state is required to give purchasing preference to a Texas-based company if the price and quality of its products are equal to an out-of-state bidder. This bill extends the preference to services.

EFFECTIVE: September 1, 2003

HB 917

by Craig Eiland

Senate Sponsor: Kyle Janek

Relating to the authority of counties and municipalities to incur debt to participate in erosion response projects undertaken by the General Land Office.

The 76th Texas Legislature gave the General Land Office (GLO) authority to undertake coastal erosion studies and projects. These studies and projects are undertaken with qualified project partners, which are currently required to pay at least 15 percent of the shared project cost. "Qualified project partners" is defined in the Natural Resources Code to include local governmental agencies. H.B. 917 allows counties and municipalities to incur debt to participate as qualified project partners in GLOs coastal erosion response program.

EFFECTIVE: June 20, 2003

HB 942

by Warren Chisum

Senate Sponsor: Juan Hinojosa

Relating to certain bond requirements for persons engaged in certain activities under the jurisdiction of the Railroad Commission of Texas other than the ownership or operation of wells.

In an effort to reduce the number of orphan oil and gas wells (inactive wells that will likely have to be plugged by the state) the 77th Legislature enacted a series of changes, establishing that any company that conducts operations within the Texas Railroad Commission's jurisdiction would have to post a bond, letter of credit, or cash deposit as part of the annual registration with the commission. If a company fails to provide the requisite financial assurance it cannot conduct operations. The purpose of those changes was to provide the state with a source of funds to clean up pollution or plug abandoned wells if the responsible operator was unable or unwilling to do so. H.B. 942 establishes financial security requirements for certain persons engaged in activities regulated by the Texas Railroad Commission other than the ownership or operation of wells.

EFFECTIVE: September 1, 2003

HB 1075

by Brian McCall

Senate Sponsor: Rodney Ellis

Relating to criminal history record information for state agency information technology personnel.

Allows State Agencies to acquire criminal history record information on Information Technology (IT) personnel from Texas Department of Public Safety or any other law enforcement entity and establishes rules for their acquisition and use.

EFFECTIVE: September 1, 2003

HB 1138

by Corbin Van Arsdale

Senate Sponsor: Jon Lindsay

Relating to nonprofit water supply and sewer service corporations in certain counties.

Current law prohibits nonprofit water supply and sewer service corporations in counties with a population of more than 3.3 million from having the ability to: own, hold, lease, or acquire water wells, springs, or other sources of water supply; build, operate, and maintain pipelines to transport water or wastewater; build and operate plants and equipment necessary to distribute water or to treat and dispose of wastewater; and sell water or provide wastewater services to a political subdivision, a private corporation, or an individual. Under current population estimates by the U.S. Census, Harris County is the only county in Texas excluded under this section. Due to this provision, Harris County residents with contaminated water are afforded fewer options than residents of other Texas counties to form nonprofit water supply and sewer service corporations to address these concerns. H.B. 1138 removes the population limitation, allowing any county to form non-profit water supply and sewer service corporations.

EFFECTIVE: May 15, 2003

HB 1150

by Robert Puente

Senate Sponsor: Jeff Wentworth

Relating to the financing of certain local water, conservation, and open-space projects in accordance with the law governing sports and community venue projects.

San Antonio voters passed Proposition 3 in May of 2000, authorizing a sales tax to fund a parks venue project. The purpose of the project was to locate and purchase undeveloped land in the recharge and contributing zones of the Edwards Aquifer and to leave it undeveloped as a means of protecting the aquifer from increased pollution. A restriction contained in the Local Government Code limits such venue projects to within the municipality or county. H.B. 1150 adds to the definition of "venue" a watershed protection and preservation project, a conservation easement, a recharge, recharge area, or recharge feature protection project, and an open-space preservation project as being authorized under statute governing sports and community venue projects.

EFFECTIVE: June 2, 2003

HB 1197

by Mike Krusec

Senate Sponsor: Jeff Wentworth

Relating to authorization for a development agreement between a municipality and an owner of land in the municipality's extraterritorial jurisdiction.

Creates a new Section 212.171 of the Local Government Code. The new section authorizes cities to enter written agreements with an "owner of land" located in a city's extraterritorial jurisdiction to 1) guarantee the land remains as extraterritorial jurisdiction; 2) allow the landowner to develop a plan to be approved by the city; 3) authorize the city to enforce "certain municipal land use and development regulations" the same as in the city; 4) "authorize enforcement by the municipality of land use and development regulations other than those that apply within the municipality's boundaries, as may be agreed to by the landowner and the municipality"; 5) provide for certain infrastructure (streets, drainage, water/sewer/other utilities; 6) authorize environmental regulation enforcement; 7) provide an annexation schedule; 8) specify land uses (zone); and 9) include other terms the parties deem appropriate. The agreement must be in writing, be approved by the city council, and be recorded in the county records. It may be for 15 years, and may be renewed in 15 year increments not to exceed 45 years. It binds the city and the landowner, and their assigns, but "is not binding, and does not create an encumbrance to title as to, any end-buyer of a fully developed and improved lot". To the extent a city requires a permit under Chapter 245, then the agreement satisfies the requirement. Land located within the extraterritorial jurisdiction of a municipality with a population of 1.9 million or more is not subject to the provisions of this bill.

EFFECTIVE: June 20, 2003

HB 1204

by Todd Baxter

Senate Sponsor: Jeff Wentworth

Relating to the authority of municipalities and counties to regulate subdivisions and certain development in a municipality's extraterritorial jurisdiction and in the unincorporated area of a county.

The 77th Texas Legislature passed legislation, which enabled subdivisions in the extraterritorial jurisdiction (ETJ) of a municipality to not be subject to both municipal and county development regulations by consolidating development regulations. HB 1204 clarifies who approves subdivision plats in the ETJ. Since less populous counties are not

experiencing the same level of development as are urban counties, problems with dual regulation are not as apparent. In those counties, dual regulation of subdivisions would be allowed. In populous counties, however, regulation of subdivisions in the ETJ would become the exclusive responsibility of the county.

EFFECTIVE: June 20, 2003

HB 1231

by Charlie Geren

Senate Sponsor: Eddie Lucio

Relating to management of the Gulf Intracoastal Waterway.

Recognizes the economic benefit of the Gulf Intracoastal Waterway (GIWW) to the state. The bill amends Chapter 51 of the Transportation Code, specifically limiting state ability to condemn private upland for dredge disposal along certain reaches of the Laguna Madre. The bill allows condemnation only in accordance with the current U.S. Army Corps of Engineers draft Laguna Madre GIWW Dredged Material Disposal Plan (or the final Plan if substantive changes are approved by the legislature). References to limitations on land acquisition of land subject to a habitat conservation plan are removed.

EFFECTIVE: September 1, 2003

HB 1282

by Brian McCall

Senate Sponsor: Robert Duncan

Relating to commercial electronic mail; providing penalties.

Unsolicited commercial electronic mail is a growing concern among Internet users. Recent studies indicate an increase in electronic mail traffic and a corresponding increase in unsolicited commercial electronic mail. This bill provides a legal option for industry and consumers to challenge entities that send unsolicited commercial electronic mail.

EFFECTIVE: September 1, 2003

HB 1297

by Ray Allen

Senate Sponsor: Kenneth Armbrister

Relating to limits on indemnification of state employees and officials.

Current law establishes state liability for indemnification of officers and employees acting in the course and scope of employment. Limits on indemnification for personal injuries and violations of rights are set at "\$100,000 to a single person and \$300,000 for a single occurrence". However, "occurrence" is not defined. H.B. 1297 clarifies the meaning of occurrence, and clarifies provisions relating to state liability for indemnification of state employees and officials.

EFFECTIVE: June 20, 2003

HB 1309

by Jim Pitts

Senate Sponsor: Robert Duncan

Relating to the applicability of the Texas Non-Profit Corporation Act to nonprofit water supply or sewer service corporations.

Amends Section B, Article 2.01, Texas Non-Profit Corporation Act (Article 13962.01), to delete nonprofit water and sewer service corporations from the list of corporations to which this Act shall not apply.

EFFECTIVE: June 20, 2003

HB 1576

by Pete Gallego

Senate Sponsor: Eliot Shapleigh

Relating to the telecommunications planning and oversight council.

H.B. 1576 makes corrective and clarifying changes relating to the telecommunications planning and oversight council. The bill creates a place on the council for a representative of the Health and Human Services Commission; it staggers members' terms so they no longer end all at once; and it extends the deadline for the council's annual financial report to allow time to accurately complete the report.

EFFECTIVE: June 20, 2003

HB 1606

by Steven Wolens

Senate Sponsor: Rodney Ellis

Relating to ethics of public servants, including the functions and duties of the Texas Ethics Commission; the regulation of political contributions, political advertising, lobbying, and conduct of public servants; and the reporting of political contributions and personal financial information; providing civil and criminal penalties.

The Texas Ethics Commission (TEC) is subject to review and shall be abolished in 2003 under the Texas Sunset Act, unless continued in existence by the legislature. This bill extends TEC from 2003 to 2015 and amends three existing laws related to ethics in three general areas: the functions and duties of TEC; the regulation of political contributions, political advertising, lobbying, and the conduct of public servants; and the reporting of political contributions and personal financial information. This bill also incorporates recommendations of the Sunset Advisory Commission.

EFFECTIVE: September 1, 2003

HB 1934

by Jaime Capelo

Senate Sponsor: Frank Madla

Relating to security and payment for, and the use of the proceeds of, certain public securities.

Under current Texas law, an issuer of public securities can use bond proceeds to finance interest during construction only if the facility being constructed generates revenue, such as an airport or a water system improvement. This has been interpreted to mean that only public securities that are secured by the revenues of a facility may finance interest during acquisition or construction and up to one year after acquisition or construction. Current law is silent as to how an issuer may use a premium it receives in connection with the sale of public securities above par, or face, amount. Generally, a premium has been

available to fund project costs, an escrow account established to refund public securities, or a debt service fund for the securities. In recent years, those bidding on public securities in a competitive sale have preferred bonds which, with a premium, produce a low yield. Current law generally permits a combination of taxes and revenues to be pledged to secure public securities. However, Chapter 1431 (Anticipation Notes), Government Code permits only taxes or revenues, but not both, to be pledged to secure the short-term obligations issued under that chapter. H.B. 1934 permits an issuer to finance interest during construction with the proceeds of public securities issued to finance the acquisition, construction, or improvement of public facilities in all instances. The bill places in statute the permitted uses of a premium, and the bill permits an issuer of obligations under Chapter 1431, Government Code to pledge a combination of taxes and revenues to secure the obligations.

EFFECTIVE: June 18, 2003

HB 2004

by Ken Marchant

Senate Sponsor: Leticia Van de Putte

Relating to allowing a commissioners court to deliberate in a closed meeting regarding business and financial considerations of a contract being negotiated.

The Open Meetings Act provides that meetings of governmental bodies must be open to the public, except for expressly authorized executive sessions. These express authorizations include, for example, deliberations on real property and contracts for prospective gifts or donations; and consultation with a governmental body attorney to seek advice on pending or contemplated litigation or settlement offers. Currently, executive sessions are not expressly authorized to deliberate business and financial considerations relating to a contract being negotiated. Conducting such deliberations in an open meeting can undermine the negotiating posture of a governmental entity, thereby resulting in a greater expenditure of public funds than may be necessary. H.B. 2004 authorizes the commissioners courts of a county to conduct a closed meeting to deliberate business and financial considerations relating to a contract being negotiated.

EFFECTIVE: June 21, 2003

HB 2032

by Scott Hochberg

Senate Sponsor: Jeff Wentworth

Relating to the confidentiality of e-mail addresses under the public information law and legislative use of certain confidential information; creating an offense.

Clarifies policies regarding the release of e-mail addresses by governmental entities. It maintains that an electronic mail address of a member of the public that is provided for the purpose of communicating with the governmental body is confidential. This bill sets forth circumstances under which an e-mail address can be released.

EFFECTIVE: September 1, 2003

HB 2033

by Jose Menendez

Senate Sponsor: Troy Fraser

Relating to historically underutilized businesses that perform investment brokerage services for a state agency.

This bill amends Chapter 2161 (Historically Underutilized Business) of the Government Code to include in the definition of a "contract": "...an arrangement under which a state agency receives professional or investment brokerage services." The bill states that this amendment is for the purpose of aiding in the measurement and attainment of a state agency's goals.

EFFECTIVE: September 1, 2003

HB 2133

by Scott Campbell

Senate Sponsor: Craig Estes

Relating to agriculture and the powers and duties of the Department of Agriculture.

Amends the Agriculture Code to address statutory issues of concern to the Texas Department of Agriculture (TDA). The issues include fees charged by TDA regulatory programs, insurance provisions governing public grain warehouses, establishment of voluntary certification program for producers transitioning to organic production practices and maintenance of phytosanitary certificates.

EFFECTIVE: September 1, 2003

HB 2376

by Gary Elkins

Senate Sponsor: Kip Averitt

Relating to the correction or removal from the statutes of obsolete references regarding the surety bonds of state officers and employees.

Removes requirements for, and references to, surety bonds for several state officials and employees. A person appointed to be a notary public does not have to execute a \$10,000 surety bonds if that person's services as a notary public are performed primarily as a state officer or employee.

EFFECTIVE: September 1, 2003

HB 2388

by Robert Cook

Senate Sponsor: Kenneth Armbrister

Relating to late fees for late payment of a submetered or allocated residential water bill.

Allows a property owner to charge a resident a late fee of up to 5 percent if the resident does not pay a submetered or allocated water bill by the due date.

EFFECTIVE: September 1, 2003

HB 2424

by Brian McCall

Senate Sponsor: Kenneth Armbrister

Relating to technical changes to taxes and fees administered by the comptroller; providing penalties.

As the principal administrator of tax collection and revenue management, the Comptroller's office relies on its rulemaking authority to facilitate the performance of its duties. Over time, the agency relies on some policies with such frequency that it becomes necessary to codify those policies. The agency's pivotal role in the administration of state funds requires the Comptroller to remain actively involved in the enforcement of every code of the law. Close interaction with every aspect of the law provides the Comptroller's office with an appreciable advantage in modifying or correcting many portions of state law. The bill codifies policies, facilitates enforcement, and makes technical corrections to state law, thus maximizing the agency's resources.

EFFECTIVE: October 1, 2003

HB 2819

by Joe Driver

Senate Sponsor: Bob Deuell

Relating to the confidentiality of certain home address information held by a tax appraisal district.

Under Section 25.02, Tax Code, tax appraisal district records must include the name and address of the property owner. In the case of the victim of a serious crime of family violence, disclosure of the home addresses of such individuals is potentially dangerous to the individual, the individual's family, and the individual's property. H.B. 2819 provides that information in appraisal records that identifies the home address of certain victims of family violence is confidential and is available only for the official use of the appraisal district, this state, the comptroller of public accounts, and taxing units and political subdivisions of this state.

EFFECTIVE: June 20, 2003

HB 2947

by Carter Casteel

Senate Sponsor: Kenneth Armbrister

Relating to state agency decentralization of services.

Current law requires state agencies to coordinate their planning and program development with regional planning commissions. H.B. 2947 extends this requirement to include an agency's plans for decentralization of services and programs, and outlines the procedures for implementing the requirement.

EFFECTIVE: September 1, 2003

HB 3024

by Carter Casteel

Senate Sponsor: Kenneth Armbrister

Relating to increasing governmental efficiency through the reduction of duplicative reporting and auditing requirements.

This bill requires state agencies that require reports from local governments to review their reporting requirements every second year of each biennium in an effort to simplify reporting and eliminate duplication, and report the results of the review to the state auditor. Agencies may not require reports not required by law, rule, or performance

measure, must inform local governments of any additional audit requirements, and must provide for payment of such additional requirements in the contract or grant award.

EFFECTIVE: June 20, 2003

HB 3042 by Robby Cook Senate Sponsor: Rodney Ellis

Relating to the administration and functions of the Texas Building and Procurement Commission and related matters.

Provides that in most cases the allocation of office space for state agencies should be an average of 135 square feet per agency employee for each agency site. Does provide for Texas Building and Procurement Commission to make exceptions.

EFFECTIVE: June 18, 2003

HB 3074 by Dan Flynn Senate Sponsor: Todd Staples

Relating to required activities and limits on the amounts of state financial assistance for which regional planning commissions may be eligible.

The Local Government Code authorizes a regional planning commission to be eligible to receive financial assistance from the governor's office if it meets requirements set forth in Section 391.012. That section also sets forth a funding formula for allocating available financial assistance. It does not make an appropriation. H.B. 3074 updates language that specifies how a regional planning commission may use state financial assistance. This bill also provides the governor's office more flexibility in the allocation of financial assistance to regional planning commissions, limited by the levels of funding made available by the legislature. It does not make an appropriation.

EFFECTIVE: June 20, 2003

HB 3383 by David Swinford Senate Sponsor: Craig Estes

Relating to agricultural development districts.

Requires an agricultural development district to file information regarding district boundary, assessments, functions, etc. with the county clerk in the county in which the district is located and with the Texas Department of Agriculture.

EFFECTIVE: September 1, 2003

HB 3507 by Ken Marchant Senate Sponsor: Chris Harris

Relating to nonsubstantive additions to and corrections in enacted codes, to the nonsubstantive codification or disposition of various laws omitted from enacted codes, and to conforming codifications enacted by the 77th Legislature to other Acts of that legislature.

Makes nonsubstantive additions to and corrections in enacted codes. This bill also makes nonsubstantive codifications or dispositions of various laws omitted from enacted codes

and makes conforming codifications enacted by the 77th Texas Legislature to other Acts of that legislature.

EFFECTIVE: September 1, 2003

HB 3591

by **Jim Pitts**

Senate Sponsor: Kip Averitt

Relating to authorizing the strip annexation of certain property by certain municipalities.

Creates an exception to the prohibition against strip annexation in regards to territory associated with the superconducting super collider high-energy research facility.

EFFECTIVE: June 20, 2003

HCR 204

by **Norma Chavez**

Senate Sponsor: Eddie Lucio

Urging Congress to reinstate funding for the EPA Border Fund to \$75 million for fiscal year 2004.

Resolution urging the Congress of the United States to reinstate funding for the Environmental Protection Agency (EPA) Border Fund to \$75 million for fiscal year 2004 and to appropriate sufficient funds in subsequent years to address environmental infrastructure needs in the border region.

SIGNED BY GOVERNOR: June 20, 2003

SB 19

by **Bill Ratliff**

House Sponsor: David Farabee

Relating to audit and other related functions of the State Auditor and of certain other state entities.

This bill changes Sections 16.142, 20.020, 36.153, 36.302, 49.195 and 152.203 of the Water Code. These changes include 1) making the State Auditor Office (SAO) review of the TWDB's fees under 16.142 an optional review determined by SAO risk assessments, 2) making the SAO's annual audit of Texas Water Resources Finance Authority (TWRFA) an optional audit based on SAO risk assessments, 3) annual-audit exemptions for groundwater conservation districts that are dormant or have limited financial and operational activity, 4) making optional the SAO's initial review of groundwater conservation districts under Chapter 321 of the Government Code, and changing subsequent reviews to 7 years thereafter instead of 5 years thereafter, and 5) the requirement that the legislative audit committee approve the SAO assisting the Texas Commission on Environmental Quality in establishing standards and procedures for district audit reviews. The general impact of these changes is to reduce the SAO's audit obligations and workload under the Texas Water Code.

EFFECTIVE: September 1, 2003

SB 84

by Jeff Wentworth

House Sponsor: Todd Baxter

Relating to the prompt production of public information under the public information law.

The Public Information Act requires a governmental body to promptly produce public information for inspection and/or duplication. However, "promptly" is not defined for purposes of the Act. In a recent Open Records Decision, the Attorney General concluded that Section 552.221 of the Government Code requires the release of information as "soon as possible under the circumstances, meaning within a reasonable time, without delay." The purpose of SB 84 is to define "promptly" in Section 552.221 of the Government Code as having the meaning given by the Attorney General in Open Records Decision 664.

EFFECTIVE: June 20, 2003

SB 185

by Kyle Janek

House Sponsor: Wayne Smith

Relating to standing water as a nuisance.

Extends the definition of public health nuisance to include possible breeding areas for certain disease carrying mosquitos.

EFFECTIVE: May 28, 2003

SB 261

by Eliot Shapleigh

House Sponsor: Jim Dunnam

Relating to the continuation and functions of the Texas Council on Purchasing from People with Disabilities.

Requires the council and the Texas Building and Procurement Commission to promote the State Use Program and agency compliance with program requirements, and enhance State Use Program accountability through increased oversight of the central nonprofit agency and community rehabilitation programs.

EFFECTIVE: September 1, 2003

SB 349

by Kenneth Armbrister

House Sponsor: Jim Pitts

Relating to the intellectual property rights of the Department of Information Resources and certain other state agency intellectual property matters.

Under current Texas law, the Department of Information Resources (department) does not have the explicit authority to acquire or hold intellectual property rights through patents, copyrights, trademarks, and other intellectual property rights. As a result, the department is unable to copyright and trademark parts of its intellectual property and derive revenue from it. SB 349 amends the Government Code to give the department that explicit authority and to require any revenue acquired from intellectual property to be

paid to the general revenue fund. In addition, the bill repeals Section 2054.124, which requires each state agency to perform a biennial audit of software licenses for software installed in the agency's computers.

EFFECTIVE: September 1, 2003

SB 394

by Eliot Shapleigh

House Sponsor: Scott Hochberg

Relating to the Records Management Interagency Coordinating Council.

Expands the membership of the Records Management Interagency Coordinating Council (RMICC) to include one faculty member of a public senior college or university and two individuals who serve as information resource managers for state agencies in the executive branch of government. Adding a faculty member and two individual experts in electronic record keeping will give RMICC access to research opportunities in the academic setting and provide knowledgeable guidance on proper electronic records management.

EFFECTIVE: September 1, 2003

SB 599

by Royce West

House Sponsor: Frank Corte, Jr.

Relating to investigation and testing, technical assistance, and certain other matters related to indoor air quality in state buildings.

Requires Texas Building and Procurement Commission (TBPC) to refer all indoor air quality testing matters, except for asbestos, to Texas Department of Health (TDH). The bill requires TDH to contract with an entity that specializes in research and technical assistance related to indoor air quality, but does not receive appropriations from the state, to identify potential threats to the indoor air quality of state buildings and produce a report of findings and a recommended plan of action for addressing indoor air quality issues in state buildings. Also requires the State Office of Risk Management to conduct an annual seminar on indoor air quality.

EFFECTIVE: September 1, 2003

SB 619

by Kenneth Armbrister

House Sponsor: Buddy West

Relating to oil spill prevention and response.

Amends several provisions of the Natural Resources Code, beginning at Section 40.002, relating to oil spill prevention and response. The Bill's provisions apply to the Texas Commission on Environmental Quality and General Land Office. The bill also removes a provision at 40.002(c)(3) providing for the development of a state coastal discharge contingency plan.

EFFECTIVE: September 1, 2003

SB 641

by Royce West

House Sponsor: Sylvester Turner

Relating to presumptions for state land records.

Creates a presumption that documents, including maps and surveys, of record in the archives of the General Land Office (GLO) accurately depict boundaries of patents, grants, sales, and titles emanating from the state. This presumption gives more legal weight to the historical documents in the GLO.

EFFECTIVE: September 1, 2003

SB 652

by Eliot Shapleigh

House Sponsor: Frank Corte, Jr.

Relating to economic development, strategic planning, and other issues regarding military facilities, and the merger of certain state agencies with military responsibilities; granting authority to issue bonds.

Texas' 18 major military installations are important economic contributors to the state, producing a combined economic impact on Texas of over \$49 billion and employing some 22,000 Texans. The presence of these military bases is important not only economically but also for the increased level of security protection they offer as well as their vital historical and cultural significance. The United States Department of Defense (DOD) has announced plans to facilitate the transition and transformation of bases largely through dollar savings associated with the 2005 Base Realignment and Closure (BRAC) process which could close and realign as much as 25 percent of DOD bases. Assists local defense communities in identifying and resourcing cooperative economic development initiatives that enhance the real military value of their installations, providing important cost saving options to reduce overall base operating costs, and by institutionalizing the process of investing in Texas' military bases. It also encourages state agencies and local governments to prioritize issues regarding military bases. The bill abolishes the Texas Strategic Military Planning Commission and the Office of Defense Affairs, and moves their duties, and assigns additional duties, into a new commission to be named the Texas Military Preparedness Commission.

The bill also authorizes the Texas Public Finance Authority to issue general obligation bonds for the purpose of financing a loan program aimed at increasing the military value of defense communities. This provision of the bill is contingent upon the approval by Texas voters of Senate Joint Resolution 55.

EFFECTIVE: May 28, 2003

SB 653

by Jeff Wentworth

House Sponsor: Todd Baxter

Relating to the charges that may be imposed under the public information law for providing a copy of public information.

Clarifies certain provisions in the Public Information Act relating to the charges that may be imposed by governmental bodies for providing copies of information and relating to procedures for resolving complaints of overcharging.

EFFECTIVE: September 1, 2003

SB 710

by Mike Jackson

House Sponsor: Craig Eiland

Relating to the share of the cost of a coastal erosion study or project required to be paid by a qualified project partner under an agreement with the commissioner of the General Land Office.

Amends the Natural Resources Code to increase the percentage that project partners must pay to participate in shared coastal erosion projects with the Commissioner of the General Land Office (GLO) from 15 percent of the shared project costs to not less than 25 percent of a beach nourishment project, or not less than 40 percent for any other type of coastal erosion study or project, including marsh restoration and bay shoreline protection projects. In addition, the bill allows the Commissioner to undertake one (1) large-scale beach nourishment project annually without a qualified partner as long as the project costs do not exceed one-third of the total funds appropriated to GLO for coastal erosion planning and response.

EFFECTIVE: September 1, 2003

SB 735

by Jon Lindsay

House Sponsor: Dan Flynn

Relating to local government officials serving on state boards.

Permits county and city officials to be appointed to serve on boards and commissions, while prohibiting them from receiving compensation for serving in that capacity. The bill allows such officials to be compensated for expenses incurred in the course of their duties.

EFFECTIVE: June 20, 2003

SB 775

by Kip Averitt

House Sponsor: Jim Keffer

Relating to the use of TexasOnline by state agencies.

TexasOnline is a Web-based portal supported through a public-private partnership that provides services online to state and local governments and citizens. Agency initiatives to market these services could improve citizen access to government services while increasing state revenues. This bill requires state agencies with TexasOnline services to assist the TexasOnline Authority with marketing.

EFFECTIVE: May 16, 2003

SB 912

by Bill Ratliff

House Sponsor: Elliott Naishtat

Relating to surplus and salvage computer equipment.

Computers for Learning (CFL) is a Department of Human Services (DHS) program that develops community partnerships with businesses and state agencies for donations and transfers of surplus and damaged computer equipment. CFL then reconditions the computer equipment and places it in the homes of low-income students. Since its inception two years ago, CFL has helped 460 low-income students begin to bridge the digital divide by providing them with free home computers, internet access, computer training, and technical support. Some state agencies have been hesitant to transfer surplus or damaged computer equipment to CFL because they are unsure whether existing state

law authorizes them to do so. The purpose of SB 912 is to make organizations like CFL eligible to receive surplus or damaged computer equipment and property from state agencies and institutions.

EFFECTIVE: June 20, 2003

SB 934

by Mike Jackson

House Sponsor: Wayne Smith

Relating to the use of certain environmental laboratory data and analysis by the Texas Commission on Environmental Quality.

Clarifies that a company that hosts another company on the same site can provide laboratory services that will be accepted by Texas Commission on Environmental Quality (TCEQ); provides that a company can use results from its own laboratories out-of-state if TCEQ has reason to believe the laboratory is controlled as well as laboratories are controlled in Texas; and allows TCEQ to accept laboratory results from inhouse or on-site laboratories that are subject to inspection when the work is being done for a state agency, a charitable organization, or a public-private partnership.

EFFECTIVE: September 1, 2003

SB 996

by Tommy Williams

House Sponsor: Phil King

Relating to collateral eligible to be pledged with the comptroller to secure state deposits.

Amends Sections 404.0221(b) and (d) of the Government Code to add letters of credit issued by an agency or instrumentality of the United States government to the types of collateral eligible to be pledged with the comptroller to secure state deposits.

EFFECTIVE: September 1, 2003

SB 1000

by Royce West

House Sponsor: Toby Goodman

Relating to a statistical or demographic analysis conducted by the Texas Legislative Council for a state agency and to information collected by the council in the course of performing the analysis.

Prevents agencies from using appropriated money to hire a consultant or other nongovernmental entity to perform a demographic or statistical analysis on data collected by or for the agency to conduct a study required under state law without first asking if the Legislative Council could perform or assist in performing the analysis. In addition, any confidential data acquired by the Legislative Council in conducting an analysis would not lose its confidential nature.

EFFECTIVE: June 20, 2003

SB 1091

by Florence Shapiro

House Sponsor: Larry Taylor

Relating to the composition of the Recycling Market Development Board and the termination of certain duties of the General Land Office relating to the board and the recycling awareness campaign.

Removes General Land Office and the Texas Department of Commerce from the Recycling Market Development Board (RMDB), provides an alternative chairman, and amends the Solid Waste Disposal Act by updating the names of various affected state agencies.

EFFECTIVE: September 1, 2003

SB 1151

by Eliot Shapleigh

House Sponsor: Burt Solomons

Relating to the publication of state agency Internet addresses in telephone directories.

Amends Section 55.203 of the Utilities Code to require certain private, for-profit publishers of residential telephone directories to include in their directory a listing for the TexasOnline Internet address and a statement that Internet sites of state agencies may be accessed through TexasOnline.

EFFECTIVE: September 1, 2003

SB 1152

by Elliot Shapleigh

House Sponsor: Burt Solomon

Relating to the provision of Internet services, including the use of TexasOnline and the establishment of an education Internet portal.

Redefines the provisions of Electronic Pay. Requires state agencies to provide a link to TexasOnline via their agency websites. It allows agencies to validate an individual's identity, allows for certain cost recovery and instructs the Secretary of State to study the feasibility of on-line notary services.

EFFECTIVE: June 20, 2003

SB 1265

by Kenneth Armbrister

House Sponsor: Jaime Capelo

Relating to initiating the prosecution of environmental crimes.

Until 1997, the predecessor agency to the Texas Commission on Environmental Quality (TCEQ) and the Office of the Attorney General (OAG) were required to be involved in a decision to criminally prosecute violations of the Texas Clean Air Act. Currently, no such process is required under any state environmental crime provisions. This bill requires a peace officer to notify TCEQ in writing of an alleged violation of the Texas Clean Air Act. TCEQ is then required to evaluate the report, determine if an environmental violation exists, and determine an adequate remedy. This bill only applies to cases in which the potential defendant holds a permit by TCEQ or is employed by a person holding such a permit.

EFFECTIVE: September 1, 2003

SB 1828

by Kip Averitt

House Sponsor: David Swinford

Relating to the composition and duties of the State Soil and Water Conservation Board.

Amends statutes governing the Soil and Water Conservation Board (SWCB). Contains provisions relating to the SWCB coordinating with TWDB on a statewide brush control plan.

EFFECTIVE: September 1, 2003

Conservation Bills

HB 645

by Robert Puente

Senate Sponsor: Kenneth Armbrister

Relating to prohibiting the creation or enforcement of certain restrictive covenants that undermine water conservation.

Prohibits a property owners' association from including or enforcing a provision in a dedicatory instrument that prohibits or restricts a property owner from:

- implementing measures promoting solid-waste composting of vegetation, including grass clippings, leaves, or brush, or leaving grass clippings uncollected on grass;
- installing rain barrels or a rainwater harvesting system; or
- implementing efficient irrigation systems, including underground drip or other drip systems.

This bill does not apply to all property owner's associations and provisions are prospective and apply only to new dedicatory instruments recorded after the effective date.

EFFECTIVE: September 1, 2003

HB 1152

by Robert Puente

Senate Sponsor: Craig Estes

Relating to the authority of certain nonprofit water supply corporations and sewer service corporations to establish and enforce customer water conservation measures.

Amends the Texas Water Code to provide nonprofit water supply corporations with statutory authority to enforce reasonable customer water conservation practices and prohibits wasteful or excessive water use by allowing the assessment of reasonable penalties. Applies to nonprofit water supply corporations in counties with populations of less than 3.3 million.

EFFECTIVE: June 20, 2003

HB 2660

by Robert Puente

Senate Sponsor: Eddie Lucio

Relating to the establishment of minimum levels of water conservation in water conservation plans.

By September 1, 2004, requires Texas Commission on Environmental Quality (TCEQ) and TWDB to jointly develop model water conservation programs for different types of water suppliers that suggest best management practices.

Beginning May 1, 2005, all water conservation plans required to be submitted to TCEQ with an application for a new or amended water rights permit or to be submitted to TWDB with an application for financial assistance must include specific, quantified 5-

year and 10-year targets for water savings. Requires the entity preparing the plan to establish the targets. Requires the targets to include goals for water loss programs and goals for municipal use in gallons per capita per day.

EFFECTIVE: June 20, 2003

HB 2661 **by Robert Puente** **Senate Sponsor: Kenneth Armbrister**

Relating to the use of graywater.

Requires the Texas Commission on Environmental Quality (TCEQ), by rule, to adopt and implement minimum standards for the use of graywater for certain purposes. Requires the standards adopted by TCEQ to assure that the use of graywater is not a nuisance and does not damage the quality of surface water and groundwater in the State. Allows the unpermitted use of less than 400 gallons of graywater each day for certain private uses provided the system complies with certain design parameters.

EFFECTIVE: September 1, 2003

HB 2663 **by Robert Puente** **Senate Sponsor: Eddie Lucio**

Relating to the establishment of quantifiable goals for drought contingency plans.

By May 1, 2005, drought contingency plans required by Texas Commission on Environmental Quality (TCEQ) rule must include specific, quantified targets for water use reductions to be achieved during periods of water shortages and drought. Requires entity preparing the plan to establish the targets.

Requires TCEQ and TWDB, by joint rule, to identify quantified target goals for drought contingency plans that wholesale and retail public water suppliers, irrigation districts, and other entities may use as guidelines in preparing drought contingency plans. Provides that goals established under this subsection are not enforceable requirements.

Requires TCEQ and TWDB to jointly develop model drought contingency programs for different types of water suppliers that suggest best management practices for accomplishing the highest practicable levels of water use reductions achievable during periods of water shortages and drought for each specific type of water supplier.

EFFECTIVE: June 20, 2003

HB 3338 **by Robert Puente** **Senate Sponsor: Kenneth Armbrister**

Relating to the performance of a water audit by a retail public utility providing potable water.

Requires water utilities to perform water audits in order to increase water conservation in Texas. Every five years, a retail public utility providing potable water shall perform and file with the TWDB a water audit computing the utility's most recent annual system water loss.

Requires the TWDB to develop appropriate methodologies and submission dates for a water audit required for the following categories of retail public utilities:

- retail public utilities serving populations of 100,000 or more;

- retail public utilities serving populations of 50,000 or more but less than 100,000;
- retail public utilities serving populations of more than 3,300 but less than 50,000; and
- retail public utilities serving populations of 3,300 or less.
- Requires the TWDB to ensure that each methodology:
 - is financially feasible for the category of retail public utility for which it is developed; and
 - considers differences in population density, source of water supply, the mean income of the service population, and other factors determined by the TWDB.

Requires that the methodologies consider various components of system water loss, including loss from distribution lines, inaccuracies in meters or accounting practices, and theft.

Requires the TWDB to compile the information included in the water audits according to category of retail public utility and according to regional water planning area. Requires the regional planning group for a regional planning area to use the information to identify appropriate water management strategies in the development of a regional water plan.

Provides that TWDB may provide financial assistance to political subdivisions for water supply projects only if the required water audit has been completed and filed.

EFFECTIVE: September 1, 2003

Districts

- HB 535** **by Robert Cook** **Senate Sponsor: Kenneth Amrbrister**
- Relating to a name change for and a change in the terms of the board of directors of the Colorado Valley Groundwater Conservation District.**
- Codifies the name of the district and provides for the election of permanent directors to be held on the first Tuesday after the first Monday in November.
- EFFECTIVE: September 1, 2003**
-
- HB 1014** **by Robert Cook** **Senate Sponsor: Kenneth Armbrister**
- Relating to the purposes for which a special utility district may be created.**
- Authorizes districts to be created for certain purposes and requires the contents of the resolution to specify each purpose for which the district is being established.
- EFFECTIVE: June 20, 2003**
-
- HB 1065** **by Robert Cook** **Senate Sponsor: Kip Averitt**
- Relating to the eligibility requirements to serve as a director of a groundwater conservation district.**
- Specifies that in a district with a population of less than 50,000 the common law doctrine of incompatibility does not qualify:
- a member of the governing body or officer of another political subdivision other than a municipality or county from serving as a director of the district, or
 - a director of the district from serving as a member of the governing body or officer of another political subdivision other than a municipality or county.
- EFFECTIVE: May 19, 2003**
-
- HB 1078** **by Warren Chisum** **Senate Sponsor: Craig Estes**
- Relating to the election of directors of a soil and water conservation district.**
- Requires directors to meet to set the date, time and place for the annual election before July 15 of each year.
- EFFECTIVE: June 20, 2003**
-
- HB 1534** **by Robert Cook** **Senate Sponsor: Kenneth Armbrister**
- Relating to certain powers of groundwater conservation districts.**
- Removes a district's power to provide facilities for the purchase, sale, transportation, and distribution of water.

Expressly prohibits a district from using eminent domain powers to condemn land for the purpose of production, sale, or distribution of groundwater or surface water.

Establishes a district's powers to provide necessary facilities for water conservation purposes and to exercise the power of eminent domain to condemn land within the districts' boundaries for conservation purposes, including recharge and reuse.

EFFECTIVE: September 1, 2003

HB 1541 by **Bill Callegari** Senate Sponsor: **Jon Lindsay**

Relating to the general powers and authority of water districts.

Provides general clean-up provisions to water district statutes.

EFFECTIVE: June 18, 2003

HB 1832 by **Linda Harper-Brown** Senate Sponsor: **Florence Shapiro**

Relating to certain powers of the City of Irving with regard to and validating certain acts of the Dallas County Utility and Reclamation District.

Eliminates the ability of the city to remove and replace the Dallas County Utility and Reclamation District (DCURD) directors at any time without cause; eliminates the requirement that the city approve the DCURD's annual operation and maintenance budget; and eliminates the ability of the city to abolish DCURD unilaterally.

EFFECTIVE: June 20, 2003

HB 2074 by **Harvey Hilderbran** Senate Sponsor: **Frank Madla**

Relating to the election of directors and validation of acts of the governing board of the Real-Edwards Conservation and Reclamation District.

Moves the election date for the directors of the district to the first Tuesday after the first Monday in November.

EFFECTIVE: June 20, 2003

HB 2348 by **Carter Casteel** Senate Sponsor: **Jeff Wentworth**

Relating to the dissolution of the Southeast Trinity Groundwater Conservation District.

Dissolves the Southeast Trinity Groundwater Conservation District.

EFFECTIVE: June 20, 2003

HB 2533

by Betty Brown

Senate Sponsor: Todd Staples

Relating to the creation of Lake View Management and Development District in Henderson County; providing authority to impose a tax and issue bonds; granting the power of eminent domain.

Creates a Municipal Development District (MDD) near Cedar Creek Lake in Henderson County. The Lake View Management and Development District would have powers granted to MDDs, including the authority to impose taxes, issue bonds, and the power of eminent domain.

EFFECTIVE: February 15, 2004

HB 3229

by Patrick Rose

Senate Sponsor: Troy Fraser

Relating to electing directors of the Blanco-Pedernales Groundwater Conservation District.

Allows the Blanco-Pedernales Groundwater Conservation District the option of using either the precinct method or the county commissioner precinct method in electing directors.

EFFECTIVE: June 20 2003

HB 3442

by Joseph Pickett

Senate Sponsor: Kip Averitt

Relating to certain expenditures, charges, and other financial matters of certain governmental entities.

Changes the boundaries of the Hudspeth County Underground Water Conservation District No. 1. (See also TWDB and Employee Issues)

EFFECTIVE: June 10, 2003

HB 3508

by Ken Marchant

Senate Sponsor: Chris Harris

Relating to the adoption of a nonsubstantive revision of local laws concerning special districts, including conforming amendments.

Recodifies local laws concerning special districts, including conforming changes, without substantive changes.

EFFECTIVE: April 1, 2005

HB 3559

by Dan Gattis

Senate Sponsor: Steve Ogden

Relating to the creation, administration, powers, duties, operation, and financing of the Williamson County Municipal Utility District No. 13.

Provides regulations regarding the creation, administration, powers, duties, operation, and financing of the district. Creates the Williamson County Municipal Utility District (MUD) No. 13, which encompasses an area of land outside of the corporate limits and the

extraterritorial, jurisdiction of any city. The MUD is subject to confirmation prior to September 1, 2005.

EFFECTIVE: September 1, 2003

HB 3560 by **Dan Gattis** Senate Sponsor: **Steve Ogden**

Relating to the creation, administration, powers, duties, operation, and financing of the Williamson County Municipal Utility District No. 12.

Provides for the creation, administration, powers, duties, operation, and financing of the Williamson County Municipal Utility District No. 12. The MUD is subject to confirmation prior to September 1, 2005.

EFFECTIVE: September 1, 2003

HB 3563 by **Glen Hegar, Jr.** Senate Sponsor: **Kenneth Armbrister**

Relating to the creation of the Waller County Road Improvement District No. 1; providing authority to impose a tax and issue bonds.

Creates the Waller County Road Improvement District No. 1 (district) as a political subdivision of the State of Texas to finance, construct, acquire, and develop certain road, street, and bridge improvements and other conservation and reclamation projects in the district.

EFFECTIVE: June 20, 2003

HB 3565 by **Terry Keel** Senate Sponsor: **Gonzalo Barrientos**

Relating to the creation, administration, powers, duties, operation, and financing of the Lazy Nine Municipal Utility District.

Creates the Lazy Nine Municipal Utility District, which will encompass an area of land outside of the corporate limits and the extraterritorial jurisdiction of any city. The land to be located within the district will be developed into single family residential and commercial developments; and therefore, water, sewer, and drainage services need to be secured. Provides regulations regarding the creation, administration, powers, duties, operation, and financing of the district. The district must be confirmed prior to September 1, 2005.

EFFECTIVE: September 1, 2003

HB 3567 by **Robert Cook** Senate Sponsor: **Kenneth Armbrister**

Relating to the number and method of electing directors of the Coastal Bend Groundwater Conservation District.

Allows the district to add one or more directors if the district annexes territory. Provides that the district must adopt an appropriate and equitable method for:

- electing directors;
- drawing voting district boundaries; and

- maintaining staggered terms.

EFFECTIVE: September 1, 2003

HB 3583 by **Toby Goodman** Senate Sponsor: **Chris Harris**

Relating to the creation of the Great Southwest Improvement District; providing authority to impose a tax and issue bonds.

Creates the Great Southwest Improvement District, in Tarrant County.

EFFECTIVE: June 20, 2003

HB 3594 by **Dan Gattis** Senate Sponsor: **Steve Ogden**

Relating to the creation, administration, powers, duties, operation, and financing of the Williamson County Municipal Utility District No. 14.

Provides for the creation, administration, powers, duties, operation, and financing of the Williamson County Municipal Utility District No. 14. The district is subject to confirmation prior to September 1, 2005.

EFFECTIVE: September 1, 2003

HB 3602 by **Dennis Bonnen** Senate Sponsor: **Mike Jackson**

Relating to the creation, administration, powers, duties, operation, and financing of the Brazoria County Groundwater Conservation District.

Creates the Brazoria County Groundwater Conservation District, subject to approval at a confirmation election prior to December 31, 2006, to manage Brazoria County's groundwater resources.

EFFECTIVE: September 1, 2003

HB 3612 by **Robert Cook** Senate Sponsor: **Kenneth Armbrister**

Relating to the creation, administration, powers, duties, operation, and financing of the Garfield Municipal Utility District No. 1.

Creates a conservation and reclamation district to be known as the Garfield Municipal Utility District No. 1, which is located within Bastrop County and is subject to both approval of the City of Bastrop and a confirmation election within four years from the effective date of this Act.

EFFECTIVE: June 20, 2003

HB 3622 by **Betty Brown** Senate Sponsor: **Bob Deuell**

Relating to the creation, administration, powers, duties, operation, and financing of the Kingsborough Municipal Utility District Nos. 1, 2, 3, 4, and 5 of Kaufman County.

Provides for the creation, administration, powers, duties, operation, and financing of the Kingsborough Municipal Utility Districts. The districts are subject to confirmation prior to September 1, 2005.

EFFECTIVE: The date on or after September 1, 2003, on which a settlement agreement between the City of Crandall and the developer of the districts is executed.

HB 3635

by Bryan Hughes

Senate Sponsor: Bill Ratliff

Relating to the creation, administration, powers, duties, operation, and financing of the Upshur Groundwater Conservation District.

Provides for the creation, administration, powers, duties, operation, and financing of the Upshur County Groundwater Conservation District. The district is subject to confirmation prior to September 1, 2005.

EFFECTIVE: September 1, 2003

HB 3636

by Robert Cook

Senate Sponsor: Kenneth Armbrister

Relating to the creation, administration, powers, duties, operation, and financing of the Colony Municipal Utility District No. 1.

Provides for the creation, administration, powers, duties, operation, and financing of the Colony Municipal Utility District No. 1, in Bastrop County. The district is subject to approval by the City of Bastrop and confirmation prior to September 1, 2005.

EFFECTIVE: September 1, 2003

SB 5

by Kip Averitt

House Sponsor: Arlene Wohlgemuth

Relating to the creation, administration, powers, duties, functions, operations, and financing of the Johnson County Special Utility District; authorizing the imposition of taxes and the issuance of bonds.

Creates a conservation and reclamation district known as the Johnson County Special Utility District, located in Johnson, Hill, Ellis, and Tarrant counties. The district must be confirmed at a confirmation election within 2 years from the effective date of this Act.

EFFECTIVE: June 20, 2003

- SB 25** **by Eddie Lucio** **House Sponsor: Juan Escobar**
- Relating to the creation, administration, powers, duties, operation, and financing of the Kenedy County Groundwater Conservation District.**
Creates the Kenedy Groundwater Conservation District, subject to approval at a confirmation election prior to September 1, 2005, to manage groundwater resources in Kenedy County.
- EFFECTIVE: September 1, 2003**
-
- SB 347** **by Gonzalo Barrientos** **House Sponsor: Patrick Rose**
- Relating to single-member districts for the board of the Barton Springs-Edwards Aquifer Conservation District.**
- Requires redistricting of the five single-member districts as soon as practicable after the publication of each federal decennial census as the board considers appropriate to reflect population changes. This is in keeping with the redistricting requirements of other political bodies.
- EFFECTIVE: September 1, 2003**
-
- SB 371** **by Jon Lindsay** **House Sponsor: Bill Callegari**
- Relating to extending the period for confirmation of the Harris County Municipal Utility District No. 387.**
- Extends the date for expiration of the legislation and the conducting of a confirmation election until September 1, 2006.
- EFFECTIVE: June 20, 2003**
-
- SB 372** **by Jon Lindsay** **House Sponsor: Bill Callegari**
- Relating to extending the period for confirmation of the Harris County Municipal Utility District No. 388.**
- Extends the date for expiration of the legislation and the conduct of a confirmation election until September 1, 2006.
- EFFECTIVE: June 20, 2003**

SB 392 **by Tommy Williams** **House Sponsor: Dan Gattis**
Relating to certain procedures for the adoption of an ad valorem tax rate by certain conservation and reclamation districts.

Requires water districts to comply with the Texas Tax Code requirements of calculating and publishing tax rates, holding public hearings for tax increases, and holding rollback elections for tax increases exceeding a rollback rate.

EFFECTIVE: September 1, 2003

SB 542 **by Jon Lindsay** **House Sponsor: Charlie Howard**

Relating to exclusion of land from certain water districts for failure to provide facilities and services.

Authorizes a property owner in a water or reclamation district which is larger than 5,000 acres and which the property has been taxed for facility bonds more than 28 years to petition the district for exclusion of the property from the district's property tax roll if the district does not provide services and the district has no outstanding bonded indebtedness supported by taxes as provided for in Water Code, Sections 49.3076 and 49.3077. Also authorizes a property owner in a water or reclamation district whose land has been included in and taxed by the district for more than 20 years, provided that no bonds are outstanding, to petition the district for exclusion.

EFFECTIVE: June 20, 2003

SB 721 **by Eddie Lucio** **House Sponsor: Jim Solis**

Relating to the creation, administration, powers, duties, operation, financing, and annexation authority of the Cameron-Hidalgo-Willacy Regional Water Authority; authorizing the issuance of bonds; providing the power of eminent domain.

Creates a regional water authority (authority) to encourage water conservation, acquisition and provision of a potable water supply for the future, reduction of reliance on a future uncertain supply of surface water through groundwater, and acquisition of the necessary supplies of groundwater. This bill also authorizes the authority to issue bonds and grants the authority the power of eminent domain.

EFFECTIVE: June 20, 2003

SB 822 **by Troy Fraser** **House Sponsor: Sid Miller**

Relating to the validation of the creation and certain actions and proceedings of the Middle Trinity Groundwater Conservation District and to related conforming changes to the district's enabling act.

Validates the creation of the district and makes conforming changes to the enabling legislation. The district is now composed of Erath and Comanche counties only.

EFFECTIVE: June 20, 2003

- SB 898** **by Kip Averitt** **House Sponsor: Jim Keffer**
- Relating to the applicability of provisions concerning bond approval by the Texas Commission on Environmental Quality to certain water districts.**
- Provides that certain municipal utility districts are not required to provide escrow funds to the Texas Commission on Environmental Quality (TCEQ) to secure bond financing for certain projects.
- EFFECTIVE: June 20, 2003**
-
- SB 899** **by Kip Averitt** **House Sponsor: Robert Cook**
- Relating to the fees of office and reimbursement of directors of groundwater conservation districts.**
- Clarifies that the amount set forth for groundwater conservation district directors' per diem in Chapter 36 of the Texas Water Code only applies to districts whose directors are entitled to receive a fee of office.
- EFFECTIVE: June 20, 2003**
-
- SB 1035** **by Jon Linday** **House Sponsor: Bill Callegari**
- Relating to the general powers and authority of the West Harris County Regional Water Authority.**
- Amends the authority's enabling statute to facilitate its operation. Excludes certain territory from the Authority.
- EFFECTIVE: June 20, 2003**
-
- SB 1276** **by Kenneth Armbrister** **House Sponsor: Geanie Morrison**
- Relating to the Lavaca-Navidad River Authority, formerly known as the Jackson County Flood Control District.**
- Renames the Jackson County Flood Control District as the Lavaca-Navidad River Authority and sets forth certain functions of the conservation and reclamation district including the authority to own, construct, operate and maintain various facilities and produce groundwater within the Lavaca River basin. Provides authority to acquire, construct, develop, operate and maintain desalination facilities.
- EFFECTIVE: September 1, 2003**
-
- SB 1494** **by Frank Madla** **House Sponsor: Robert Puente**
- Relating to the powers of Bexar Metropolitan Water District.**
- Removes the power of the district to regulate underground waters within the district's boundaries. This bill also removes the requirement that the Bexar County Tax Assessor Collector must provide tax assessor services for the district. Adds provisions authorizing

the district to enter into planning agreements with the TWDB and to cooperate with and support local fire departments and economic development activities.

EFFECTIVE: June 18, 2003

SB 1570 by **Frank Madla** House Sponsor: **Robert Puente**

Relating to the administration, powers, duties, and operation of the Trinity Glen Rose Groundwater Conservation District.

Clarifies the conditions for exemption from regulation by the district by defining when and under what conditions a well is considered timely completed.

EFFECTIVE: September 1, 2003

SB 1639 by **Todd Staples** House Sponsor: **Ruben Hope**

Relating to regulating the waters of the state, including the spacing and production of groundwater and the control of instream flows.

Clarifies that groundwater conservation districts may adopt different well spacing or production limits for distinct aquifers or for different geographic areas within their boundaries. Establishes the Study Commission on Water for Environmental Flows. Prohibits Texas Commission on Environmental Quality from issuing a new permit for instream flows dedicated to environmental needs or bay and estuary inflows.

EFFECTIVE: June 20, 2003

SB 1725 by **Jon Lindsay** House Sponsor: **Peggy Hamric**

Relating to the North Harris County Regional Water Authority.

Cleanup measure to ensure that the authority is able to effectively serve its Municipal Utility District (MUD) members as well as 400,000 residents.

EFFECTIVE: June 18, 2003

SB 1883 by **Kyle Janek** House Sponsor: **Charlie Howard**

Relating to the assumption of road utility district authority by Fort Bend County Levee Improvement District No. 15, including the authority to impose taxes and issue bonds.

Grants the Fort Bend County Levee Improvement District No. 15 road utility district authority, including authority to impose taxes and issue bonds.

EFFECTIVE: May 28, 2003

SB 1888 by **Todd Staples** House Sponsor: **Wayne Christian**

Relating to the creation, administration, powers, duties, operation, and financing of the Southeast Texas Groundwater Conservation District.

Authorizes the creation of the Southeast Texas Groundwater Conservation District, subject to approval at a confirmation election within two years of the effective date of this Act, to manage groundwater resources in Jasper and Newton counties.

EFFECTIVE: June 18, 2003

SB 1899

by Todd Staples

House Sponsor: Wayne Christian

Relating to permit requirements for groundwater transfers out of Pineywoods Groundwater Conservation District.

Provides that a retail public utility is not required to obtain a permit to transfer groundwater out of the district if the water is used by the retail public utility to provide retail water utility service in a service area located in a county adjacent to the district.

EFFECTIVE: June 20, 2003

SB 1902

by Eddie Lucio

House Sponsor: Kino Flores

Relating to the creation, administration, powers, duties, operation, and financing of the Rio Grande Regional Water Authority and to the powers and duties of the Rio Grande watermaster and the delivery of water down the banks and bed of the Rio Grande; authorizing the issuance of bonds.

Creates the Rio Grande Regional Water Authority (RGRWA) as a conservation and reclamation district within Cameron, Hidalgo, Starr, Willacy, Webb (except the City of Laredo) and Zapata counties. Establishes provisions regarding the regulation of the subdivision or development of land in those areas. Gives a person, who has a permit issued by the Texas Commission on Environmental Quality (TCEQ), the authorization to use the Rio Grande banks and bed for the transport of privately owned water from the owner to a purchaser of the water. The watermaster for the Rio Grande is given authorization to store privately owned water in transit for future release. The contract to purchase the water must specify that the contract is for the purchase and delivery of a specified amount of water, less the carriage losses incurred in transit. In addition to existing authority of watermasters, the bill makes clear that the Rio Grande watermaster has certain roles in cases of imminent threat to public health and safety or the environment. The bill requires TCEQ to make rules in this area to define the scope of those duties.

EFFECTIVE: September 1, 2003

SB 1912

by Mike Jackson

House Sponsor: Craig Eiland

Relating to the creation of the Harborside Management District; providing authority to impose taxes and issue bonds.

Creates the Harborside Management District in Galveston County as a political subdivision of Texas to administer and provide funding for community improvement projects and services in certain commercial areas of Harborside.

EFFECTIVE: June 20, 2003

SB 1925

by Craig Estes

House Sponsor: Rick Hardcastle

Relating to the powers, financing, and fees of office for the Rolling Plains Groundwater Conservation District.

Provides for adjustments to be made to the powers, financing, and fees of office for the directors of the Rolling Plains Groundwater Conservation District. Also establishes fees for agricultural water use and other uses.

EFFECTIVE: June 20, 2003

SB 1928

by Todd Staples

House Sponsor: Betty Brown

Relating to the boundaries of the Athens Municipal Water Authority.

Validates the expansion of the Athens Municipal Water Authority's District to include all areas previously annexed by the City of Athens so that the Athens Water District serves all areas included in the City of Athens.

EFFECTIVE: September 1, 2003

SB 1930

by Todd Staples

House Sponsor: Ruben Hope

Relating to the board of directors and the powers of the Lone Star Groundwater Conservation District; validating certain actions and proceedings of the district.

Clarifies the fees of office for directors of the district and validates certain actions taken by the district. In addition, it sets forth clarifying powers for the district such as authorizing the district to institute a claims process to carry out its existing authority under Chapter 36, Water Code, to identify and protect existing and historic users. The historic use period must not be less than 5 years or more than 21 years in length. Would also authorize the district to adopt production and spacing regulations for different hydrogeologic areas of the district and establish management zones to further the purposes of the district.

EFFECTIVE: June 20, 2003

SB 1933

by Todd Staples

House Sponsor: Jim McReynolds

Relating to the exclusion of property from Waterwood Municipal Utility District No. 1.

Allows the Waterwood Municipal Utility District Board to exclude land from the district after a signed petition from the owners of a majority of the acreage being excluded indicates a desire for exclusion. The board would then call a hearing to consider exclusion of the land. This bill does not affect pledged security for any outstanding debt of the district, such security remains until the final payment of the debt. The board members of the Waterwood Municipal Utility District will have complete jurisdiction over the exclusion of land from the district and the petition to exclude land must be filed with the board before August 31, 2005.

EFFECTIVE: June 20, 2003

SB 1935

by Troy Fraser

House Sponsor: Robert Cook

Relating to the law governing the Brazos River Authority and the law governing the Lower Colorado River Authority.

Codifies the session laws regarding the Lower Colorado River Authority and the Brazos River Authority into a new title in the Water Code, with a new chapter for each river authority. The codification eliminates provisions no longer operative in the original enabling statutes and updates existing language in the statutes.

EFFECTIVE: September 1, 2003

SB 1936

by Rodney Ellis

House Sponsor: Garnet Coleman

Relating to the creation of the Buffalo Bayou Management District; providing the authority to impose taxes and issue bonds.

Creates the Buffalo Bayou Management District as a political subdivision of the State of Texas to administer and provide funding for community improvement projects and services in certain commercial areas. The District will be a municipal management district similar to those operating pursuant to Chapters 375 and 376, Local Government Code.

EFFECTIVE: June 20, 2003

SB 1941

by Kip Averitt

House Sponsor: Delwin Jones

Relating to the creation, administration, powers, duties, operation, and financing of the Lake Alan Henry Water District.

Creates the Lake Alan Henry Water District as a conservation and reclamation district to promote, develop, encourage and maintain public welfare in the area included in the district. The boundaries of the district include portions of Garza County and Kent County. The legislation gives the district the powers and duties relating to conservation and reclamation districts created under Sections 52 and 52a, Article III of the Texas Constitution, and Section 59, Article XVI of the Texas Constitution, including Chapter 49 of the Water Code, Chapter 51 of the Water Code, and Chapter 54 of the Water Code. The district has the power of eminent domain for the purpose of acquiring land and

property in order to develop its improvements projects. The city of Lubbock (city) is authorized to exercise police powers on the lake and any property and easements around the lake owned by the city, and to assess reasonable fees for recreational use of the lake. The legislation authorizes the city to sell water from the lake to the district or any other governmental entity after the city finds that the water supply of the lake is not needed by the city for at least 20 years and that the execution of a water sales contract will assist in fulfilling the city's financial obligations.

Under the legislation, the district may levy and collect taxes for operation and maintenance purposes upon voter approval. The district may also levy a tax for bonds and other obligations payable from ad valorem taxes, and the district is tasked with annual assessment and collection of such ad valorem taxes. Bonds and other obligations secured and payable from ad valorem taxes may be assessed only after voter approval.

The legislation also grants Garza and Kent Counties zoning authority within three (3) miles of the high-water mark of Lake Alan Henry.

EFFECTIVE: June 21, 2003

SB 1955

by Bill Ratliff

House Sponsor: Barry Telford

Relating to the Red River Redevelopment Authority; providing the power of eminent domain and the power to issue bonds.

Allows the Red River Redevelopment Authority to issue revenue bonds to enhance and upgrade the current water and wastewater systems at Red River Commerce Park. These new improvements will enhance the Authority's ability to attract new industry to recover the local jobs lost due to base realignment of the Red River Army Depot.

EFFECTIVE: June 18, 2003

Employee Issues

HB 89 **by Ruth Jones McClendon** **Senate Sponsor: Gonzalo Barrientos**

Relating to a leave of absence for certain state employees who are donating an organ, bone marrow, or blood.

Entitles a state employee to a leave of absence without a deduction in salary for the time necessary to serve as a bone marrow or organ donor. Prohibits the leave of absence from exceeding a certain number of days. Requires a state agency to allow each agency employee sufficient time off, without a deduction in salary or accrued leave, to donate blood. Prohibits an employee from receiving time off under this section unless the employee obtains approval from the employee's supervisor before taking time off. Requires an employee, on returning to work after taking time off under this section, to provide the employee's supervisor with proof the employee donated blood during the time off. Authorizes an employee to receive time off under this section not more than four times in a fiscal year.

EFFECTIVE: September 1, 2003

HB 1075 **by Brian McCall** **Senate Sponsor: Rodney Ellis**

Relating to criminal history record information for state agency information technology personnel.

Authorizes criminal background checks on employees, applicants for employment, contractors and other personnel in the information technology departments within state government.

EFFECTIVE: September 1, 2003

HB 1297 **by Ray Allen** **Senate Sponsor: Kenneth Armbrister**

Relating to limits on indemnification of state employees and officials.

Clarifies the meaning of occurrence, and clarifies provisions relating to state liability for indemnification of state employees and officials.

EFFECTIVE: June 20, 2003

HB 2425 **by Brian McCall** **Senate Sponsor: Robert Duncan**

Relating to state and certain local fiscal matters; making appropriations.

Allows an employee of a state agency to authorize a salary deduction for payment to a certain organization of a membership fee. Amends provisions regarding an authorized payroll deduction for membership in an eligible state employee organization. Provides clarifying language that states: An individual must be a state employee on the workday before and after a state or national holiday in order to be paid for that holiday, unless the holiday falls on the employee's first or last workday of the month. Clarifies merit increase payment language. It would require each state agency to establish a procedure for

determining eligibility of an employee for a merit raise or a one-time payment and requirements for substantiating eligibility. Increases annual leave accrual by an additional hour per month based on length of service and provides for increased carryover. Makes salary provisions for a state employee transferring within an agency between classified positions. Provides that a state employee's annual salary rate immediately after a transfer may not exceed: (1) the rate for the salary step that is one step higher than the salary step at which the employee was paid immediately before the transfer, if the classified position to which the employee transfers is allocated to a salary group that is divided into steps; or (2) 103.4 percent of the employee's annual salary rate immediately before the transfer, if the classified position to which the employee transfers is allocated to a salary group that is not divided into steps.

EFFECTIVE: According to its terms.

HB 2933

by Kino Flores

Senate Sponsor: Gonzalo Barrientos

Relating to the abolition of the Commission on Human Rights and the transfer of its functions to the Texas Workforce Commission.

Eliminates the Commission on Human Rights and transfers the duties to the Texas Workforce Commission.

EFFECTIVE: According to its terms.

HB 3208

by Talmadge Heflin

Senate Sponsor: Kip Averitt

Relating to the temporary provision of lump-sum payments to certain retiring members of the Employees Retirement System of Texas.

Provides for a one-time lump sum payment to an individual who retires between August 31, 2003, and August 31, 2005, in the first month the person is eligible for retirement.

EFFECTIVE: June 20, 2003

HB 3442

by Joseph Pickett

Senate Sponsor: Kip Averitt

Relating to certain expenditures, charges, and other financial matters of certain governmental entities.

Requires the State Council on Competitive Government to review the human resources functions of agencies with less than 500 employees for possible consolidation or out sourcing. It also establishes staff to management ratios for all agencies with more than 100 employees. (See also **TWDB** and **Districts**)

EFFECTIVE: June 10, 2003

SB 89

by Jeff Wentworth

House Sponsor: John Davis

Relating to compensatory time for persons governing state agencies.

Prohibits a member of the governing body of a state agency or a single state officer who governs a state agency from accruing compensatory time. This bill does not apply to an employee who acts as the administrative head of a state agency, including an executive director.

EFFECTIVE: September 1, 2003

SB 1370

by Robert Duncan

House Sponsor: Dianne White Delisi

Relating to certain group benefit plans provided to certain governmental officers, employees, and retirees and their dependents.

Provides for a 90-day waiting period for new employees to receive benefits. Defines full-time employee as working 40 hours or more during a work week. Changes the definition of part-time employee to mean an employee who works less than 40 hours per week. Provides for a 90-day waiting period for retirement plan participation and changes age requirement to 65.

EFFECTIVE: September 1, 2003

SB 1603

by Rodney Ellis

House Sponsor: Carter Casteel

Relating to charitable contributions by state employees to the General Land Office's Adopt-A-Map/Adopt-A-Document Program.

Adds the Adopt-A-Map/Adopt-A-Document Program to the State Employee's Charitable Campaign Program (SECC).

EFFECTIVE: May 14, 2003

SB 1800

by Leticia Van de Putte

House Sponsor: Frank Corte, Jr.

Relating to state employee military leave.

Establishes that state employees who are members of the state military forces or the reserve component of the armed forces are entitled to paid leave and certain benefit protections when they are called to active duty.

EFFECTIVE: September 1, 2003

Water

HB 803

by Charlie Geren

Senate Sponsor: Robert Duncan

Relating to the authority of political subdivisions to exercise the power of eminent domain to acquire rights to water and the assessment of damages in condemnation proceedings initiated for that purpose.

Currently, when property is condemned by eminent domain, the landowner is compensated for the fair market value of the land. However, when land is condemned specifically for its groundwater resources, the law does not allow the fair market value of that groundwater to be considered in the compensation paid to the landowner. In a condemnation proceeding, special commissioners appointed by the court assess actual damages to a property owner based on the fair market value of the property. Current interpretation of the law rejects the right of a property owner to submit evidence or to be compensated for the local market value of the groundwater rights in addition to the local market value of the real property.

H.B. 803 authorizes the special commissioners or court in a condemnation proceeding to consider and award actual damages to a property owner for the local market value of a real property's groundwater rights in certain condemnation proceedings; requires a condemnation petition filed by a political subdivision of this state for the purpose of acquiring rights to groundwater or surface water to state that the facts to be proven are that the political subdivision has performed certain acts; and requires a court to deny the right to condemn unless the political subdivision proves to the court that the political subdivision has met certain requirements. H.B. 803 requires a condemnation petition filed by a political subdivision to prove that the subdivision has taken certain actions, including making a good faith effort to obtain practicable alternative water supplies; acquiring water rights by voluntary purchases or lease; and showing the need for the water rights.

EFFECTIVE: September 1, 2003

HB 1979

by Robert Puente

Senate Sponsor: Kenneth Armbrister

Relating to preventing the discharge of untreated wastewater into waters of the state.

In 2002, there were 6,173 sanitary sewer overflows in the State of Texas, discharging 190 million gallons of wastewater. The Environmental Protection Agency (EPA) estimates that 42 percent of sanitary sewer overflows are a result of grease blocking pipes. The proper use of grease traps by food service facilities and restaurants can eliminate many of these overflows. This bill addresses sanitary sewer overflow problems by directing the Texas Commission on Environmental Quality to adopt criteria establishing model standards to prevent the discharge of untreated wastewater from sanitary sewers.

EFFECTIVE: September 1, 2003

HB 2031

by Robert Puente

Senate Sponsor: Frank Madla

Relating to the regulation of stormwater management by certain counties.

In 1999, the 76th Texas Legislature approved legislation allowing Harris County to take action to comply with the requirements imposed by the federal government relating to storm water. H.B. 2031 expands the number of Texas counties authorized to take action to comply with storm water permitting program requirements under the National Discharge Elimination System, including the collection of a fee for this purpose, by including counties with a population of more than 1.3 million for which the primary source of drinking water is an underground aquifer.

EFFECTIVE: June 2, 2003

HB 2250

by Kino Flores

Senate Sponsor: Eddie Lucio

Relating to the powers and duties of the Rio Grande watermaster and the delivery of water down the banks and bed of the Rio Grande.

The Rio Grande watermaster is responsible for allocating, monitoring and controlling the use of surface water in the Rio Grande Basin from Fort Quitman to the mouth of the Rio Grande. Surface water in the Rio Grande below Amistad accumulates in Amistad and Falcon reservoirs and is released on demand. Amistad and Falcon reservoirs are considered one system with water frequently released from the upstream dam (Amistad) to replenish Falcon reservoir and meet the demands in the Lower Rio Grande Valley. The watermaster is the authorized agent allowed to request releases of United States water held in storage at Amistad/Falcon. In addition to the existing authority of watermasters, H.B. 2250 makes clear that the Rio Grande watermaster has certain roles in cases of imminent threat to public health and safety or the environment. H.B. 2250 requires the Texas Commission on Environmental Quality (TCEQ) to make rules to define the scope of those duties. The bill also clarifies that the Rio Grande watermaster has the authority, in accordance with rules prescribed by TCEQ, to transport new water from an upriver seller to a down river buyer and to divert the water to the buyer (subject to a water loss formula). A bed and banks permit would be required for the transportation of the water. The TCEQ is required to adopt rules necessary to implement H.B. 2250 and to expedite bed and banks permits.

EFFECTIVE: September 1, 2003

HB 2529

by Jerry Madden

Senate Sponsor: Craig Estes

Relating to enforcement actions against a small water supply, sewer, wastewater treatment, or solid waste disposal service being integrated into a regional service.

Adds a new Section 7.0026 to the Water Code which provides a grace period for enforcement actions against small water supply, sewer, wastewater treatment, or solid waste disposal services being integrated into a regional service. If such an entity currently being operated by or for a municipality or county is being integrated into a regional facility, Texas Commission on Environmental Quality (TCEQ) may not initiate

enforcement against the entity unless: 1) 36 months have elapsed since the regional facility took control of the integrated entity and assumed responsibility for bringing it into compliance; and 2) the regional facility has failed to bring the integrated entity into compliance within that time.

EFFECTIVE: June 20, 2003

HB 2567

by Charlie Geren

Senate Sponsor: Kenneth Armbrister

Relating to the disposal of brine from desalination operations.

Under current law, the Texas Commission on Environmental Quality (TCEQ) has jurisdiction over discharge into underground injection wells in the state. H.B. 2567 authorizes the TCEQ to issue a permit for the disposal of brine from desalination operations in a Class I injection well.

EFFECTIVE: September 1, 2003

HB 3152

by Dennis Bonnen

Senate Sponosr: Mike Jackson

Relating to the potability of and requirements for removing contaminants from groundwater.

Many commercial and industrial properties in municipal areas across Texas are underlain with unusable groundwater that has become contaminated by historical on-site or off-site sources. Current law requires the landowner or the facility owner/operator responsible for the condition to define the extent of the contamination and to develop an approach to correct the problem through response actions. However, it does not allow ordinances or other institutional controls, such as restrictive covenants, to eliminate groundwater response action objectives in locations where the groundwater will no longer be used as a drinking water source; specifically, ordinances restricting the installation and use of wells are not currently allowed as a response action. This bill would authorize a person or municipality and the Executive Director of the Texas Commission on Environmental Quality (TCEQ) to apply for and make Municipal Setting Designations (MSD) in municipalities over 20,000 population that restrict the use of groundwater so that response actions to contaminated groundwater are limited or eliminated. The TCEQ would certify or deny proposed MSDs. The bill also would provide authority to municipal authorities to regulate the pumping, extraction, and use of groundwater for drinking purposes.

EFFECTIVE: September 1, 2003

SB 155

by Judith Zaffirini

House Sponsor: Elizabeth Ames Jones

Relating to the protection of public freshwater areas; providing a penalty.

Currently, the number of recreational motor vehicles entering Texas rivers has reached a critical mass. According to the Texas Parks and Wildlife Department, the frequently traveled areas of Texas rivers have shown signs of erosion and decreased fish and

vegetation. This bill prohibits the operation of a motor vehicle in or on the beds or banks of Texas rivers, with certain exceptions, and provides penalties.

EFFECTIVE: September 1, 2003

SB 1481

by Bill Ratliff

House Sponsor: Bryan Hughes

Relating to the repeal of the Caddo Lake Compact.

The 66th Texas Legislature adopted the Caddo Lake Compact in 1979. Currently, it is codified as Chapter 47, Water Code. The State of Louisiana passed an identical bill in 1979 and the two states entered into the Red River Compact to preserve and protect Caddo Lake. However, the compact was never approved by the United States Congress and as a result never became law. The State of Louisiana repealed its act in 1982. As proposed, S.B. 1481 repeals the Caddo Lake Compact.

EFFECTIVE: September 1, 2003

SB 1633

by Jeff Wentworth

House Sponsor: Robert Puente

Relating to the installation and use of a water softener or reverse osmosis system by an owner of an on-site sewage disposal system.

Provides for the use of water and salt conserving water softening devices in certain defined situations. This bill authorizes an owner to install and use a household water softener that discharges effluent into an on-site sewage disposal system only if the installed water softener meets certain requirements. Authorizes an owner to install and use a point-of-use reverse osmosis system that discharges effluents into an on-site sewage disposal system.

Authorizes an owner to install and use a point of entry reverse osmosis system that discharges effluent into an on-site sewage disposal system if the calculated volume of effluent does not cause hydraulic overloading or has been adequately addressed in the design of the on-site sewage disposal system. Requires Texas Commission on Environmental Quality to adopt rules and standards.

EFFECTIVE: September 1, 2003

SB 1700

by Jeff Wentworth

House Sponsor: David Swinford

Relating to the administration of the weather modification and control grant program.

Currently, the state weather modification program is split into two components, which places the technical and permitting function with the Texas Department of Licensing and Regulation and the grant function with the Texas Department of Agriculture. This bill moves the grant function of the weather modification program to the Texas Department of Licensing and Regulation.

EFFECTIVE: September 1, 2003