

BILL ANALYSIS

C.S.H.B. 839
By: Howard
Natural Resources
Committee Report (Substituted)

BACKGROUND AND PURPOSE

As members of water district boards, board members are often in charge of awarding large contracts and reviewing bids on various projects. In the past, it has been lawful for a board member to leave the board and immediately become employed by companies under contract with the board or work as a contractor for the district. This can often create conflicts of interest as members of the board award and bid on various contracts.

C.S.H.B. 839 would remove this conflict of interest by prohibiting persons who have served as directors of districts from contracting with the district or being employed by organizations which have been awarded contracts by the district for one year after leaving the board. However, it will still be permissible for these persons to be employed directly by the district after leaving the board in positions such as one of general manager.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

Amends Subchapter C, Chapter 49, Texas Water Code, by placing a limitation on future employment for someone who has served as a director of a district. A former director may not contract with the district that they were previously director of, nor be employed by an organization to whom the district has awarded a contract for one year following the date on which the person's tenure as director ends.

C.S.H.B. 839 also exempts directors of districts, such as irrigation districts, which perform agricultural irrigation functions under Chapters 51, 55, or 58 of the Texas Water Code. This exemption applies only to directors of these districts who, when serving as a director, were required to own land as a qualification for office.

EFFECTIVE DATE

September 1, 2003

COMPARISON OF ORIGINAL TO SUBSTITUTE

C.S.H.B. 839 amends the original bill by removing the prohibition that a person who has been a director of a board cannot be employed by that same board following the end of their tenure. The substitute also exempts directors of districts, such as irrigation districts, which perform agricultural irrigation functions under Chapters 51, 55, or 58 of the Texas Water Code.

