

1-1 By: Janek S.B. No. 1045
1-2 (In the Senate - Filed March 7, 2005; March 21, 2005, read
1-3 first time and referred to Committee on Natural Resources;
1-4 April 20, 2005, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 10, Nays 0; April 20, 2005,
1-6 sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 1045 By: Lindsay

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to insurance or other coverage in lieu of a bond
1-11 requirement for officers, employees, and consultants of certain
1-12 conservation and reclamation districts.

1-13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-14 SECTION 1. Section 49.057, Water Code, is amended by
1-15 amending Subsection (e) and adding Subsection (i) to read as
1-16 follows:

1-17 (e) Except as provided by Subsection (i), the [The] board
1-18 shall require an officer, employee, or consultant, including a
1-19 bookkeeper, financial advisor, or system operator, who routinely
1-20 collects, pays, or handles any funds of the district to furnish good
1-21 and sufficient bond, payable to the district, in an amount
1-22 determined by the board to be sufficient to safeguard the district.
1-23 The board may require a consultant who does not routinely collect,
1-24 pay, or handle funds of the district to furnish a bond. The bond
1-25 shall be conditioned on the faithful performance of that person's
1-26 duties and on accounting for all funds and property of the district.
1-27 Such bond shall be signed or endorsed by a surety company authorized
1-28 to do business in the state.

1-29 (i) The board may obtain or require an officer, employee, or
1-30 consultant of the district to obtain insurance or coverage under an
1-31 interlocal agreement that covers theft of district funds by
1-32 officers, employees, or consultants of the district in lieu of
1-33 requiring a bond under Subsection (e) if the board determines that
1-34 the insurance or coverage under an interlocal agreement would
1-35 adequately protect the interests of the district.

1-36 SECTION 2. This Act takes effect immediately if it receives
1-37 a vote of two-thirds of all the members elected to each house, as
1-38 provided by Section 39, Article III, Texas Constitution. If this
1-39 Act does not receive the vote necessary for immediate effect, this
1-40 Act takes effect September 1, 2005.

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