

House Bill 2770
Senate Amendments
Section-by-Section Analysis

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SECTION 1. Subchapter D, Chapter 551, Government Code, is amended by adding Section 551.090 to read as follows:

Sec. 551.090. DELIBERATION REGARDING CERTAIN NEGOTIATIONS AND PROPOSED CHANGES TO FACILITIES OR SERVICES; CLOSED MEETING. This chapter does not require a navigation district, port authority, or board of trustees under Chapter 54, Transportation Code, to conduct an open meeting to deliberate about information relating to:

- (1) a bid, proposal, or contract for goods or services under negotiation, if disclosure of the information would have a detrimental effect on the position of the navigation district, port authority, or board of trustees under Chapter 54, Transportation Code, in negotiations with a third person; or
- (2) proposed changes to facilities or services of the navigation district, port authority, or board of trustees under Chapter 54, Transportation Code.

SECTION 2. Sections 271.181(2) and (6), Local Government Code, are amended to read as follows:

(2) "Civil works project" means:

- (A) roads, streets, bridges, utilities, water supply projects, water plants, wastewater plants, water distribution and wastewater conveyance facilities, desalination projects, wharves, docks, navigation channels, dredge material placement areas, airport runways and taxiways, storm drainage and flood control projects, or transit projects;
- (B) types of projects or facilities related to those described by Paragraph (A) and associated with civil engineering construction; and
- (C) buildings or structures that are incidental to projects or

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No equivalent provision. [SECTION 1 was deleted by FA1.]

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facilities that are described by Paragraphs (A) and (B) and that are primarily civil engineering construction projects.

(6) "Local governmental entity" means a municipality, a county, a river authority, a defense base development authority established under Chapter 379B, a board of trustees under Chapter 54, Transportation Code, a municipally owned water utility with a separate governing board appointed by the governing body of a municipality, or any other special district or authority authorized by law to enter into a public works contract for a civil works project. The term does not include a regional tollway authority created under Chapter 366, Transportation Code, a regional mobility authority created under Chapter 370, Transportation Code, or a water district or authority created under Section 52, Article III, or Section 59, Article XVI, Texas Constitution, with a population of less than 50,000.

SECTION 3. Section 271.182, Local Government Code, as amended by Chapters 135 (S.B. 1047) and 725 (S.B. 229), Acts of the 81st Legislature, Regular Session, 2009, is reenacted and amended to read as follows:

Sec. 271.182. APPLICABILITY. (a) This subchapter applies to:

(1) a local governmental entity with a population of more than 100,000 within its geographic boundaries or service area;

(2) a board of trustees under Chapter 54, Transportation Code; and

(3) [~~-(c) This subchapter applies to~~] a municipally owned combined electric, water, and wastewater utility situated in an economically distressed area and located within 30 miles of the Lower Texas Gulf Coast.

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(b) For purposes of Subsection (a), [For this subchapter,]
"combined" means that the utilities are managed and controlled by one board whose members are appointed by the governing body of the municipality and that the financing of capital improvements is secured from the revenue [revenues] of all three utilities.

SECTION 4. Sections 271.186(a) and (b), Local Government Code, are amended to read as follows:

(a) During the first four years that this subchapter applies to a local governmental entity under Section 271.182:

(1) a local governmental entity with a population of 500,000 or more may, under this subchapter, enter into contracts for not more than three projects in any fiscal year;

(2) a local governmental entity with a population of 100,000 or more but less than 500,000 or a board of trustees under Chapter 54, Transportation Code, may, under this subchapter, enter into contracts for not more than two projects in any fiscal year; and

(3) a municipally owned water utility with a separate governing board appointed by the governing body of a municipality with a population of 500,000 or more may:

(A) independently enter into a contract for not more than one civil works project in any fiscal year; and

(B) enter into contracts for additional civil works projects in any fiscal year, but not more than the number of civil works projects prescribed by the limit in Subdivision (1) for the municipality, provided that:

(i) the additional contracts for the civil works projects entered into by the utility under this paragraph are allocated to the number of contracts the municipality that appoints the utility's

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governing board may enter under Subdivision (1); and
(ii) the governing body of the municipality must approve the contracts.
(b) After the period described by Subsection (a):
(1) a local governmental entity with a population of 500,000 or more may, under this subchapter, enter into contracts for not more than six projects in any fiscal year;
(2) a local governmental entity with a population of 100,000 or more but less than 500,000 or a board of trustees under Chapter 54, Transportation Code, may, under this subchapter, enter into contracts for not more than four projects in any fiscal year; and
(3) a municipally owned water utility with a separate governing board appointed by the governing body of a municipality with a population of 500,000 or more may:
(A) independently enter into contracts for not more than two civil works projects in any fiscal year; and
(B) enter into contracts for additional civil works projects in any fiscal year, but not more than the number of civil works projects prescribed by the limit in Subdivision (1) for the municipality, provided that:
(i) the additional contracts for the civil works projects entered into by the utility under this paragraph are allocated to the number of contracts the municipality that appoints the utility's governing board may enter under Subdivision (1); and
(ii) the governing body of the municipality must approve the contracts.

SECTION 5. Section 60.031, Water Code, is amended to read as follows:

Sec. 60.031. APPLICATION OF SUBCHAPTER. (a) The

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provisions of this subchapter shall apply to:

(1) any district not participating with the United States in a navigation project; or

(2) a district participating with the United States in a navigation project if the commission by resolution adopts:

(A) this subchapter; or

(B) sections of this subchapter under which the district will operate.

(b) For the purposes of Subsection (a)(2), a district that contracts with the United States for a navigation project under Subchapter F is considered to be participating with the United States in a navigation project while the contract is in effect.

SECTION 6. Section 60.038(b), Water Code, is amended to read as follows:

(b) Before a district may sell land, the commission shall determine by resolution that the land is no longer [Land which is sold or leased shall be declared surplus land and shall not be] needed for use by the district in connection with the development of a navigation project.

SECTION 7. Section 60.039, Water Code, is amended to read as follows:

Sec. 60.039. SURFACE LEASE [~~FOR NOT MORE THAN 30 YEARS~~]. (a) The commission may lease the surface of land for not more than 30 years by the entry of an order on the minutes of the commission and the execution of a lease in the manner provided by the original order. The lease may not be extended beyond the 30-year period by renewal, extension, or otherwise.

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(b) The commission or the executive director of the district, or a person authorized by the commission or the executive director, may enter into a lease for a monthly tenancy or a tenancy from month to month. The lease term may only exceed one year if:

- (1) the commission enters an order on the minutes; and
- (2) the execution of the lease is in the manner provided by the original order for the lease.

SECTION 8. Subchapter D, Chapter 60, Water Code, is amended by adding Section 60.0725 to read as follows:

Sec. 60.0725. NUISANCES; POLLUTION. The commission may suppress and prevent nuisances, pollution, and improper disposal of materials on any district property to:

- (1) accomplish the purposes stated in Section 60.071;
- (2) protect other district property; or
- (3) promote the health, safety, and general welfare of persons using other district property.

SECTION 9. Section 60.101, Water Code, is amended by amending Subsection (b) and adding Subsections (c) and (d) to read as follows:

(b) To the extent that the district incurs indebtedness, [~~(c)bonded or otherwise, (d)~~] for purposes of financing the above facilities which in turn are sold by installment sale or otherwise, ~~the [said]~~ indebtedness, principal and interest, may be paid only from the loan [~~(c)or bond sale(d)~~] proceeds and from revenues generated from the project financed by the indebtedness, and security for payment of the principal of and interest on [~~said~~] indebtedness shall be limited to a pledge of

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the project's revenues and the project's facilities including enlargements and additions [~~thereafter made~~].

(c) An installment sale under this section is not a loan of the district's credit or a grant of public money.

(d) A district may contract with a broker to sell a tract of land in the same manner as the commissioners court of a county under Section 263.008, Local Government Code.

SECTION 10. Section 60.120(a), Water Code, is amended to read as follows:

(a) A district acting under [~~the provisions of~~] this subchapter may enter into any contract, lease, or agreement necessary or convenient to carry out any of the powers granted in this subchapter, including a contract for purchase, lease for purchase, or other agreement for the use or acquisition of real property, or improvements to real property or the use or acquisition of personal property. The contract, lease, or agreement may be entered into with any person and any government or governmental agency including the United States, [~~and~~] the State of Texas, and a public facility corporation organized under Chapter 303, Local Government Code.

SECTION 11. Subchapter E, Chapter 60, Water Code, is amended by adding Sections 60.1201, 60.1202, and 60.1203 to read as follows:

Sec. 60.1201. METHOD FOR CONTRACTS TO CONSTRUCT OR ACQUIRE PROPERTY. The district may use any method provided by Section 60.454 for a contract under this subchapter related to construction or the acquisition

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No equivalent provision. [SECTION 11 was deleted by FA2.]

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of real property and related personal property, if the commission determines the method provides the best value for the district.

Sec. 60.1202. CERTAIN CONTRACT PROCEDURES; ELECTION. (a) A contract may provide that a district will make payment under the contract from proceeds from the sale of bonds or notes, from taxes, or from any other district income, including revenue borrowed or pledged under Section 60.171, or any combination of these.

(b) A district may make payments under a contract from taxes other than maintenance taxes, after the provisions of the contract have been approved by a majority of the electors voting at an election held for that purpose.

(c) A contract election may be held alone or at the same time and in conjunction with an election to authorize bonds.

(d) The procedure for calling the election, giving notice, conducting the election, and canvassing the returns is the same as the procedure for a bond election. If the contract is approved at the election, it is an obligation against the taxing power of the district to the extent provided in the contract.

Sec. 60.1203. ATTORNEY GENERAL APPROVAL FOR CONTRACTS SECURED BY TAXES. (a) The district shall submit to the attorney general for approval any contract, lease, or agreement secured by tax revenue other than revenue from maintenance taxes.

(b) If the attorney general finds that the contract, lease, or agreement has been entered into in accordance with the law, the attorney general shall approve the contract, lease, or agreement and the comptroller shall register it.

(c) When the contract, lease, or agreement has been approved by the attorney general and registered by the comptroller, it is incontestable except for forgery or fraud.

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SECTION 12. Subchapter E, Chapter 60, Water Code, is amended by adding Section 60.124 to read as follows:
Sec. 60.124. GIFTS, GRANTS, AND DONATIONS. A district may accept a gift, grant, donation, or bequest of money or property from any source for any district purpose.

No equivalent provision.

SECTION 13. Section 60.271(f), Water Code, is amended to read as follows:
(f) The district shall adopt payment procedures consistent with Section 105.074(g), Local Government Code. The designated officer of a district may draw a check on a depository only on a warrant signed by the presiding officer [chairman] and attested by the secretary of the district, or by a procedure adopted under this section.

SECTION 14. Section 60.403, Water Code, is amended by amending Subsection (c) and adding Subsection (e) to read as follows:

SECTION 12. Same as House version.

SECTION __. Subchapter H, Chapter 60, Water Code, is amended by adding Section 60.207 to read as follows:
Sec. 60.207. AUDIT OF FUND. (a) A promotion and development fund established under this subchapter is subject to audit by the state auditor.
(b) The district shall reimburse the state auditor for all costs incurred by the state auditor associated with an audit under this section. [FA3]

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SECTION 14. Same as House version.

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(c) One original, photocopy, or electronic copy of the purchase order shall be ~~[A purchase order must be executed in duplicate with one copy]~~ delivered to the person from whom the purchase is made and one original, photocopy, or electronic copy shall be retained ~~[remaining]~~ on file in the district or port authority in accordance with Subtitle C, Title 6, Local Government Code.

(e) A district may establish an electronic requisition system to perform some or all of the functions required by Subsections (b), (c), and (d). An electronic requisition system established under this subsection must electronically transmit data to and receive data from the financial system of the district in a manner that meets professional, regulatory, and statutory requirements and standards, including those relating to purchasing, auditing, and accounting.

No equivalent provision.

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SECTION __. Section 60.4035(a), Water Code, as amended by Chapters 415 (H.B. 1972) and 1191 (H.B. 3785), Acts of the 81st Legislature, Regular Session, 2009, is reenacted to read as follows:

(a) Notwithstanding the competitive bidding requirements and proposal procedures of this subchapter and Subchapter O and the requirements of Sections 60.408(a), (b), (c), (d), and (e), the executive director of a district or an officer of a district authorized in writing by the port commission may make emergency purchases or contracts or emergency amendments to existing purchase orders or contracts in an amount that exceeds the amount authorized under Section 60.403(a) for routine purchases or contracts if necessary:

(1) to preserve or protect the public health and safety of the residents of the district;

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- (2) to preserve the property of the district in the case of a public calamity;
- (3) to repair unforeseen damage to the property of the district;
- or
- (4) to respond to security directives issued by:
 - (A) the federal Department of Homeland Security, including the Transportation Security Administration;
 - (B) the United States Coast Guard;
 - (C) the federal Department of Transportation, including the Maritime Administration; or
 - (D) another federal or state agency responsible for domestic security. [FA4]

No equivalent provision.

SECTION __. Sections 60.404(a) and (d), Water Code, as amended by Chapters 415 (H.B. 1972) and 1191 (H.B. 3785), Acts of the 81st Legislature, Regular Session, 2009, are reenacted to read as follows:

- (a) If the materials, supplies, machinery, equipment, or other items to be purchased or contracted for are valued at an amount greater than the amount authorized under Section 60.403(a) for routine purchases or contracts, notice shall be published as provided by this section.
- (d) The specifications must:
 - (1) describe in detail the item to be acquired;
 - (2) require that bids be sealed;
 - (3) require the attachment to the bid of a certified check, cashier's check, or bidders bond, if security is required in connection with the bid; and
 - (4) indicate whether a small business development program adopted by the port commission of the port authority or district applies to the purchase and, if so, where a copy of the

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program requirements may be obtained. [FA4]

No equivalent provision.

SECTION __. Section 60.406(a), Water Code, as amended by Chapters 415 (H.B. 1972) and 1191 (H.B. 3785), Acts of the 81st Legislature, Regular Session, 2009, is reenacted to read as follows:

(a) Except as otherwise provided by Section 60.4035 or 60.412, before a district or port authority may purchase one or more items under a contract that will require an expenditure of more than the amount authorized under Section 60.403(a) for routine purchases or contracts, the port commission of that district or port authority must comply with the competitive bidding requirements or proposal procedures provided by this subchapter or Subchapter O. All bids must be sealed. [FA4]

SECTION 15. Section 60.408(h), Water Code, is amended to read as follows:

(h) One original, photocopy, or electronic copy of a [A] contract, requisition, or purchase order valued at more than the amount authorized under Section 60.403(a) for routine purchases or contracts must be ~~[issued in duplicate with one copy]~~ delivered to the contractor and one original, photocopy, or electronic copy shall be retained [remaining] on file with the district or port authority in accordance with Subtitle C, Title 6, Local Government Code.

SECTION 15. Same as House version.

SECTION 16. Chapter 60, Water Code, is amended by adding Subchapter R to read as follows:

SUBCHAPTER R. CHARITABLE CONTRIBUTIONS

SECTION 16. Same as House version.

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Sec. 60.551. DEFINITIONS. In this subchapter:

(1) "Charitable organization" means an organization that:

(A) is organized for charitable purposes under Chapter 22, Business Organizations Code, or holds a certificate of authority issued under that chapter;

(B) is exempt from taxation under Section 501(a) of the Internal Revenue Code of 1986 as an organization described in Section 501(c)(3) of that code and to which contributions are deductible for income tax purposes under Section 170 of that code;

(C) complies with all applicable federal nondiscrimination law, including Chapter 21, Title 42, United States Code;

(D) complies with all state statutes and rules relating to charitable organizations;

(E) is not a private foundation; and

(F) provides funds or programs for eligible services that directly or indirectly benefit the recipients.

(2) "District employee charitable campaign" means a campaign conducted in communities or areas in which district employees solicit contributions to an eligible charitable organization.

(3) "Eligible charitable organization" means a charitable organization eligible to participate in the district employee charitable campaign as provided by Section 60.561.

(4) "Eligible services" means services provided by a charitable organization that:

(A) benefit residents of this state, including children, youth, adults, elderly individuals, ill or infirm individuals, or individuals with a mental or physical disability, and consist of:

(i) human care, medical or other research in the field of human health, education, social adjustment, or rehabilitation;

(ii) relief for victims of natural disaster or other emergencies;

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or

(iii) assistance to impoverished individuals in need of food, shelter, clothing, or other basic needs; or

(B) benefit this state, and consist of activities to:

(i) safeguard public health and the environment; or

(ii) help solve environmental problems.

(5) "Federation or fund" means a fund-raising entity that:

(A) is a charitable organization;

(B) acts as an agent for at least five charitable organizations;

(C) is not organized exclusively to solicit contributions from district employees; and

(D) is supported by voluntary contributions by the public and is:

(i) incorporated in this state and has an established physical presence in this state in the form of an office or service facility that is staffed at least 20 hours a week; or

(ii) incorporated outside this state, includes at least 10 affiliated charitable organizations, and has existed at least three years.

Sec. 60.552. AUTHORIZATION OF CAMPAIGN. (a) The commission or the executive director of a district may establish a program in the district to allow district employees to participate in a charitable campaign as provided by this subchapter.

(b) The commission or executive director of a district may adopt rules relating to the operation of a district employee charitable campaign as described in this subchapter.

Sec. 60.553. DEDUCTION AUTHORIZED. (a) A district employee may authorize a deduction each pay period from the employee's salary or wage payment for a charitable contribution as provided by this subchapter.

(b) An authorization must direct the district to distribute the

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deducted funds to a participating federation or fund.

(c) A deduction under this subchapter must be in the form prescribed by the district.

Sec. 60.554. VOLUNTARY PARTICIPATION. (a) Participation by a district employee in a state employee charitable campaign is voluntary. The district shall inform district employees that deductions are voluntary.

(b) The district shall adopt rules establishing a process for hearing employee complaints regarding coercive activity in a district employee charitable campaign.

Sec. 60.555. DESIGNATION OF AN ELIGIBLE CHARITABLE ORGANIZATION. (a) A district employee may designate in the authorization an eligible charitable organization to receive the deductions.

(b) If a district employee does not designate an eligible charitable organization, the employee's deductions shall be distributed to each participating federation or fund and eligible local charitable organization in the proportion that the deductions designated for that charitable organization bear to the total of designated deductions in the district employee charitable campaign.

Sec. 60.556. CONFIDENTIALITY. (a) Except as necessary to administer this subchapter or on written authorization of the employee, the following information is confidential:

(1) whether a district employee has authorized a deduction under this subchapter;

(2) the amount of the deduction; and

(3) the name of a federation or fund or charitable organization that a district employee has designated to receive contributions.

(b) The designation of a charitable organization by a district employee is not confidential if the employee executes a

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written pledge card or other document indicating that the employee wishes to receive an acknowledgement from the charitable organization.

(c) The district shall provide notice to district employees of the confidentiality provisions described by this section.

Sec. 60.557. REVOCATION OR CHANGE OF AUTHORIZATION. (a) A district employee may revoke or change an authorization by giving notice to the district.

(b) The notice must be in the form and manner prescribed by the district.

(c) A revocation or change takes effect on the date designated by the district, but not later than the 45th day after the date the district employee gives notice.

Sec. 60.558. DURATION OF DEDUCTION. (a) A deduction under this subchapter begins on the date designated by the district employee.

(b) A deduction under this subchapter, unless revoked or changed under Section 60.557, ends on the date designated by the district.

Sec. 60.559. FAIR AND EQUITABLE MANAGEMENT OF CAMPAIGN. A district employee charitable campaign must be managed fairly and equitably in accordance with this subchapter and the rules, policies, and procedures established by the district.

Sec. 60.560. CAMPAIGN POLICY AND MANAGEMENT.

(a) The executive director of the district shall oversee the district employee charitable campaign and the district's employees who conduct the campaign.

(b) The executive director of the district and employees designated by the executive director of the district shall:

(1) determine the eligibility of a federation or fund and its affiliated agencies for participation in the district employee

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charitable campaign;

(2) develop a campaign plan, budget, and materials to be used in the campaign;

(3) coordinate and facilitate the campaign;

(4) ensure that all district employee charitable campaign activities are conducted fairly and equitably to promote unified solicitation on behalf of all participants; and

(5) perform other duties required by rules relating to the district employee charitable campaign.

Sec. 60.561. ELIGIBILITY OF CHARITABLE ORGANIZATIONS, FEDERATIONS, AND FUNDS FOR PARTICIPATION. (a) To be eligible to participate in a district employee charitable campaign, a charitable organization must:

(1) be governed by a voluntary board of citizens that meets at least twice each year to set policy and manage the affairs of the organization;

(2) if the organization's annual budget:

(A) does not exceed \$100,000, provide a completed Internal Revenue Service Form 990 and an accountant's review that offers full and open disclosure of the organization's internal operations; or

(B) exceeds \$100,000, be audited annually in accordance with generally accepted auditing standards of the American Institute of Certified Public Accountants; and

(3) not spend more than 25 percent of its annual revenue for administrative and fund-raising expenses.

(b) A federation or fund that seeks participation in a district employee charitable campaign must apply on behalf of itself and its affiliated agencies to the district during the eligibility determination period specified by the district. The district shall review each application and may approve a federation or

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fund for statewide participation only if the federation or fund qualifies as a charitable organization. The district may approve an affiliated charitable organization for participation only if the organization qualifies as a charitable organization.

(c) The district may use outside expertise and resources available to it, and rely on a certification of a charitable organization, or determination of qualification by a statewide employee charitable campaign under Section 659.146, Government Code, to assess the eligibility of a charitable organization that seeks to participate in a district employee charitable campaign.

(d) An appeal from a decision of the district shall be conducted in the manner prescribed by the commission. The appeals process must permit a charitable organization that is not approved for participation to apply for participation in a district employee charitable campaign.

Sec. 60.562. FUND-RAISING PRACTICES. The fund-raising practices of a participating charitable organization must:

(1) be truthful and consumer-oriented; and

(2) protect against:

(A) unauthorized use of a list of contributors to the organization;

(B) payment of commissions, kickbacks, finder fees, percentages, bonuses, or overrides for fund-raising;

(C) mailing of unordered merchandise or tickets with a request for money in return; and

(D) general phone solicitation of the public.

Sec. 60.563. LIMITATION ON USE OF CONTRIBUTIONS. (a) A participating charitable organization may use contributions under this subchapter only to provide eligible services or to fund a charitable

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organization that provides eligible services.

(b) A participating charitable organization may not use contributions under this subchapter to:

(1) directly or indirectly fund litigation; or

(2) make expenditures that would require the organization to register under Chapter 305, Government Code, if the organization were not an entity exempt from registration under that chapter.

Sec. 60.564. MISAPPLICATION OF CONTRIBUTIONS; AUDIT. (a) The district may obtain an audit of any participating charitable organization that the district reasonably believes has misapplied contributions under this subchapter.

(b) If an audit under this section reveals gross negligence or intentional misconduct on the part of a participating charitable organization, the district shall remove the charitable organization from the campaign. A charitable organization removed under this subsection is not eligible to participate in a district employee charitable campaign before the fifth anniversary of the date the charitable organization was removed.

(c) If an audit under this section reveals intentional misconduct on the part of a charitable organization, the district shall forward its findings to the appropriate law enforcement agency.

(d) The district may bring an action to recover misapplied contributions.

(e) If an investigation or lawsuit results in a recovery of misapplied contributions and there is not a judgment distributing the amounts recovered, the district shall determine the manner of refunding contributions to the appropriate district employees.

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SECTION 17. Section 61.164(c), Water Code, is amended to read as follows:

(c) No franchise shall be granted until notice [~~after the franchise in its final form~~] is published [~~in full~~] at the expense of the applicant, once a week for three consecutive weeks in a daily newspaper of general circulation published inside the district. For the purposes of this subsection, notice consists of:

- (1) the text of the franchise in full; or
- (2) a descriptive caption stating the purpose of the franchise and the location at which a complete copy of the franchise may be obtained.

SECTION 18. Sections 62.107(a) and (c), Water Code, are amended to read as follows:

(a) Any district created under this chapter may acquire by gift, purchase, or condemnation and may own land adjacent or accessible to the navigable water and ports developed by it which may be necessary or required for any and all purposes incident to or necessary for the development and operation of the navigable water or ports within the district, or may be necessary or required for or in aid of the development of industries and businesses on the land.

(c) The acquisition of land for the purposes included in this section and the operation and industrial and business development of ports and waterways are a public purpose and a matter of public necessity.

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SECTION 18. Same as House version.

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SECTION 19. Section 62.122, Water Code, is amended to read as follows:

Sec. 62.122. DISPOSITION OF SALVAGE OR SURPLUS PERSONAL PROPERTY. (a) Except as provided by Subsection (b), the ~~[The]~~ commission may periodically dispose of surplus or salvage personal property in the same manner as the commissioners court of a county under Subchapter D, Chapter 263, Local Government Code.

(b) The commission may authorize the destruction or disposition of salvage or surplus property as worthless if the property is so worn, damaged, or obsolete that it has no value for the purpose for which it was originally intended, and the expense to the district to attempt to sell the property would be more than the proceeds from the sale.

SECTION 20. Section 63.178(c), Water Code, is amended to read as follows:

(c) Before the franchise is granted, the commission must approve the franchise by a majority vote at three separate meetings held at least one week apart and must publish notice. For the purposes of this subsection, notice must be published ~~[the franchise in full,]~~ at the expense of the applicant, once a week for three consecutive weeks in a newspaper published in the district. The notice must consist of:

- (1) the text of the franchise in full; or
- (2) a descriptive caption stating the purpose of the franchise and the location at which a complete copy of the franchise may be obtained.

No equivalent provision.

SENATE VERSION (IE)

SECTION 19. Same as House version.

SECTION 20. Same as House version.

SECTION __. Chapter 97, Acts of the 40th Legislature, 1st

CONFERENCE

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Called Session, 1927, is amended by adding Section 9 to read as follows:

Sec. 9. SUNSET REVIEW. (a) The Port of Houston Authority is subject to review under Chapter 325, Government Code (Texas Sunset Act), as if it were a state agency but may not be abolished under that chapter. The review shall be conducted as if the authority were scheduled to be abolished September 1, 2013. Another review shall be conducted as if the authority were scheduled to be abolished September 1, 2019.

(b) The reviews must assess the authority's governance, management, and operating structure, and the authority's compliance with legislative requirements.

(c) The authority shall pay the cost incurred by the Sunset Advisory Commission in performing a review of the authority under this section. The Sunset Advisory Commission shall determine the cost, and the authority shall pay the amount promptly on receipt of a statement from the Sunset Advisory Commission detailing the cost.

(d) This section expires September 1, 2019. [FA5]

SECTION 21. This Act applies only to a contract entered into on or after the effective date of this Act. A contract entered into before the effective date of this Act is covered by the law in effect when the contract was entered into, and the former law is continued in effect for that purpose.

SECTION 21. Same as House version.

SECTION 22. To the extent of any conflict, this Act prevails over another Act of the 82nd Legislature, Regular Session, 2011, relating to nonsubstantive additions to and corrections

SECTION 22. Same as House version.

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HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

in enacted codes.

SECTION 23. Section 60.465, Water Code, is repealed.

SECTION 23. Same as House version.

SECTION 24. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2011.

SECTION 24. Same as House version.