

BILL ANALYSIS

C.S.H.B. 2362
By: Keffer
Natural Resources
Committee Report (Substituted)

BACKGROUND AND PURPOSE

River authorities are created by the state to develop and manage state water, and each such authority is granted certain powers regarding the conservation, storage, use, and distribution of the water of its respective area for the benefit of area residents. Certain citizens and water right holders recently have expressed concerns about the lack of oversight and review of these important entities. C.S.H.B. 2362 seeks to address this issue by providing for an efficiency review of river authorities.

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

C.S.H.B. 2362 amends the Water Code to make certain water districts that are river authorities subject to an efficiency review by the Legislative Budget Board (LBB).

C.S.H.B. 2362 amends the Government Code to authorize the LBB to periodically review and analyze the effectiveness and efficiency of the policies, management, fiscal affairs, and operations of a river authority and to require the LBB to report the findings of a review and analysis to the governor and the legislature. The bill excepts from required public disclosure as audit working papers all information prepared or maintained in conducting such a review and analysis or preparing the review report until the LBB has completed the review and analysis. The bill specifies that such exception does not affect whether such information is confidential or excepted from required public disclosure under a law other than provisions in the state public information law providing for the exception of audit working papers.

EFFECTIVE DATE

September 1, 2013.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 2362 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and highlighted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

SECTION 1. Subchapter G, Chapter 49, Water Code, is amended by adding Section 49.1991 to read as follows:

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Subchapter G, Chapter 49, Water Code, is amended by adding Section 49.1991 to read as follows:

83R 24749

13.113.954

Substitute Document Number: 83R 21558

Sec. 49.1991. **AUDIT AND REVIEW OF RIVER AUTHORITIES.**

(a) A district that is a river authority is subject to:

(1) an economy and efficiency audit by the state auditor's office; and

(2) an efficiency review by the Legislative Budget Board.

(b) The state auditor's participation under this section is subject to approval by the legislative audit committee for inclusion in the audit plan under Section 321.013(c), Government Code.

SECTION 2. Section 321.013(a), Government Code, is amended to read as follows:

(a) The State Auditor shall conduct audits of all departments, including institutions of higher education, and of river authorities, as specified in the audit plan. At the direction of the committee, the State Auditor shall conduct an audit or investigation of any entity receiving funds from the state.

SECTION 3. Chapter 321, Government Code, is amended by adding Section 321.0139 to read as follows:

Sec. 321.0139. **ECONOMY AND EFFICIENCY AUDIT OF RIVER AUTHORITIES.** (a) At a reasonable time in advance of an economy and efficiency audit of a river authority, the state auditor shall provide the governing body of the authority with written information relating to the procedures for and scope of the audit. The state auditor shall include in the materials information describing:

(1) how the appropriate representatives of the authority may participate in the audit planning process; and

(2) how the authority may request information or assistance in preparing for the audit from the state auditor.

(b) The state auditor shall seek the recommendations of the Legislative Budget Board in preparing materials to be provided under Subsection (a).

SECTION 4. Chapter 322, Government

Sec. 49.1991. **EFFICIENCY REVIEW OF RIVER AUTHORITIES.**

A district that is a river authority is subject to an efficiency review by the Legislative Budget Board.

No equivalent provision.

No equivalent provision.

No equivalent provision.

SECTION 2. Same as introduced version.

Code, is amended by adding Section 322.0171 to read as follows:

Sec. 322.0171. EFFICIENCY REVIEW OF RIVER AUTHORITIES. (a) The board periodically may review and analyze the effectiveness and efficiency of the policies, management, fiscal affairs, and operations of a river authority.

(b) The board shall report the findings of a review and analysis to the governor and the legislature.

(c) Until the board has completed a review and analysis under this section, all information, documentary or otherwise, prepared or maintained in conducting the review and analysis or preparing the review report, including intra-agency and interagency communications and drafts of the review report or portions of those drafts, is excepted from required public disclosure as audit working papers under Section 552.116. This subsection does not affect whether information described by this subsection is confidential or excepted from required public disclosure under a law other than Section 552.116.

SECTION 5. This Act takes effect September 1, 2013.

SECTION 3. Same as introduced version.