

BILL ANALYSIS

C.S.H.B. 2528
By: Harless
Natural Resources
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties note concerns in certain counties in which the unincorporated areas are well-populated and the sales tax rate is at its maximum that these counties and their water districts have limited means by which to fund critical economic development programs. These districts, the parties continue, are currently unable to receive voluntary contributions from residents. C.S.H.B. 2528 seeks to allow certain districts to accept donations to provide community and economic development services that will benefit the economic health of the district and surrounding community.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

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. 2528 amends the Water Code to authorize certain water districts located in the unincorporated area of a county with a population of four million or more to accept a donation in any form from any source approved by the district's governing board to provide funds to a nonprofit organization providing economic development programs that the board determines will preserve property values in the district. The bill authorizes a contract with a nonprofit organization providing such economic development programs to include the specific uses of donations collected by the district on behalf of the nonprofit organization. The bill requires such a contract to require the nonprofit organization administering the program to maintain accounting records and funds independent of all other funds unrelated to the program, make the records available for public inspection at reasonable times, have an annual independent audit made of the accounting records and funds, use the funds only for programs in a county with a population of four million or more, and reimburse the district for costs of collection incurred by the district, except to the extent that the district agrees to bear those costs.

C.S.H.B. 2528 makes all records of the administrator of an economic development program public information unless the records are protected from disclosure under state public information law. The bill authorizes a district providing potable water or sewer service, as part of its billing process, to collect from customers voluntary donations on behalf of a nonprofit organization providing economic development programs that the board determines will preserve property values in the district. The bill requires a district that collects voluntary donations to give reasonable notice to customers that the donations are voluntary. The bill requires a district's bill to a customer, if a donation is included in the total amount of the bill, to identify the exact

amount of the donation and to include a telephone number the customer can call to have the donation deleted from the bill and any future bills issued to that customer. The bill prohibits the termination of water and sewer service as a result of failing to pay a voluntary donation.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2015.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 2528 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

SECTION 1. Subchapter H, Chapter 49, Water Code, is amended by adding Section 49.2291 to read as follows:

Sec. 49.2291. DONATIONS FOR ECONOMIC DEVELOPMENT. (a) In this section, "economic development program" has the meaning assigned by Section 152.151.

(b) This section applies only to a district located in the unincorporated area of a county with a population of four million or more.

(c) A district may accept a donation in any form from any source approved by the board to provide funds to a nonprofit organization providing the district with economic development programs that the board determines will preserve property values in the district.

(d) A district shall contract with a nonprofit organization providing economic development programs in the district to describe the specific uses of a donation collected on behalf of the nonprofit organization under this section.

(e) A contract entered into under Subsection (d) must require the nonprofit organization administering the program to:

(1) maintain accounting records and funds independent of all other funds unrelated to the program;

(2) make the records maintained under Subdivision (1) available for public inspection at reasonable times; and

(3) have an annual independent audit made of the accounting records and funds.

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Subchapter H, Chapter 49, Water Code, is amended by adding Section 49.2291 to read as follows:

Sec. 49.2291. DONATIONS FOR ECONOMIC DEVELOPMENT. (a) In this section, "economic development program" has the meaning assigned by Section 152.151.

(b) This section applies only to a district located in the unincorporated area of a county with a population of four million or more.

(c) A district may accept a donation in any form from any source approved by the board to provide funds to a nonprofit organization providing economic development programs that the board determines will preserve property values in the district.

(d) A contract with a nonprofit organization providing economic development programs described by Subsection (c) may include the specific uses of donations collected by the district on behalf of the nonprofit organization under this section.

(e) A contract entered into under Subsection (d) must require the nonprofit organization administering the program to:

(1) maintain accounting records and funds independent of all other funds unrelated to the program;

(2) make the records maintained under Subdivision (1) available for public inspection at reasonable times;

(3) have an annual independent audit made of the accounting records and funds;

(4) use the funds only for programs in a county described by Subsection (b); and

(f) All records of the administrator of an economic development program, unless protected from disclosure under Chapter 552, Government Code, shall be public information, as defined by Section 552.002, Government Code.

(g) A district providing potable water or sewer service may, as part of its billing process, collect from customers a voluntary contribution on behalf of a nonprofit organization providing economic development programs in the district. A district that collects a voluntary contribution under this subsection must give reasonable notice to customers that the contribution is voluntary.

Water and sewer service may not be terminated as a result of failing to pay the voluntary contribution.

SECTION 2. 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, 2015.

(5) reimburse the district for costs of collection incurred by the district, except to the extent that the district agrees to bear those costs.

(f) All records of the administrator of an economic development program, unless protected from disclosure under Chapter 552, Government Code, shall be public information, as defined by Section 552.002, Government Code.

(g) A district providing potable water or sewer service may, as part of its billing process, collect from customers voluntary donations on behalf of a nonprofit organization providing economic development programs described by Subsection (c). A district that collects voluntary donations under this subsection must give reasonable notice to customers that the donations are voluntary. If a donation is included in the total amount of a district's bill to a customer, the bill must identify the exact amount of the donation and include a telephone number the customer can call to have the donation deleted from the bill and any future bills issued to that customer. Water and sewer service may not be terminated as a result of failing to pay a voluntary donation.

SECTION 2. Same as introduced version.