

## **BILL ANALYSIS**

Senate Research Center

S.B. 2049  
By: Nichols; Creighton  
Agriculture, Water & Rural Affairs  
6/2/2015  
Enrolled

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

The Lone Star Groundwater Conservation District (district) was created by the 77th Legislature in 2001 to regulate groundwater use within Montgomery County. When the district was created, a provision was added to its enabling legislation that exempts the district's board of directors from rules regarding conflicts of interest rules that are generally applicable to the boards of every special district and local government throughout the state. Out of the 99 groundwater conservation districts in the state, only two districts have this conflict of interest exemption. Montgomery County citizens are interested in ensuring that the district conducts its business transparently and without the appearance of conflicts of interest, and this bill will provide that assurance by requiring the district's board of directors to abide by all statutory and common law conflicts of interest rules applicable to local governments.

The purpose of S.B. 2049 is to remove the conflicts of interest exemption from the district's enabling legislation in order to ensure that the district board is able to act with transparency and without conflicts of interest.

S.B. 2049 repeals Section 6(h) from the district's enabling legislation (H.B. 2362, 77th Legislature, Regular Session, 2001). Section 6(h) provides that "A person who qualifies to serve on the board shall be qualified to serve as a director and participate in all votes relating to the business of the district regardless of any common law doctrine or any statutory conflicts of interest, incompatibility, or similar provision to the contrary. Section 36.058 (Conflicts of Interest), Water Code, relating to conflicts of interest, does not apply to the district." It provides that any act or proceeding of the district taken before the effective date of the bill is validated and confirmed.

S.B. 2049 amends current law relating to qualifications of members of the board of directors of the Lone Star Groundwater Conservation District.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Repeals Section 6(h), Chapter 1321, Acts of the 77th Legislature, Regular Session, 2001.

SECTION 2. (a) Provides that any act or proceeding of the Lone Star Groundwater Conservation District (district), including an election, not excepted by this section and taken before the effective date of this Act, is validated and confirmed in all respects.

(b) Provides that this section does not apply to:

(1) an act, proceeding, director, other official, bond, or other obligation the validity of which or of whom is the subject of litigation that is pending on the effective date of this Act; or

(2) an act or proceeding that, under a statute of this state or the United States, was a misdemeanor or felony at the time the act or proceeding occurred.

SECTION 3. Provides that all requirements of the constitution and laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this Act are fulfilled and accomplished.

SECTION 4. Effective date: September 1, 2015.