

AN ACT

relating to restrictions on certain special districts.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. In this Act, "district" means the Hidalgo County Water Improvement District No. 3.

SECTION 2. GENERAL MANAGER. The general manager shall be an employee of the district. The general manager serves at the pleasure of and reports only to the board. The general manager may not serve as a director on the board of directors of the district.

SECTION 3. EDUCATION PROGRAM. (a) The district's board of directors shall establish a program of education for the district's directors that includes information on:

- (1) the history of the district;
- (2) the district's statutory authority;
- (3) laws applicable to the district, including the requirements of Chapters 551 and 552, Government Code;
- (4) relevant legal developments related to water district governance;
- (5) the duties and responsibilities of the district's board of directors;
- (6) conflict of interest laws and other laws related to public officials;
- (7) any applicable ethics policies adopted by the Texas Commission on Environmental Quality or the Texas Ethics

1 Commission.

2 (b) The district shall pay any costs associated with the
3 development of the education program from district revenue.

4 (c) The education program may include training provided by
5 an organization offering courses that have been approved by the
6 Texas Commission on Environmental Quality.

7 (d) The district's board of directors may adopt bylaws
8 modifying the education program as necessary to meet district
9 needs.

10 SECTION 4. EDUCATION FOR DIRECTORS. (a) Each director of
11 the district shall complete the education program established under
12 Section 3 of this Act before the first anniversary of the date on
13 which the director was appointed or elected. A director serving on
14 the district's board of directors on the effective date of this Act
15 shall complete the education program not later than September 1,
16 2022.

17 (b) The district shall reimburse a director of the district
18 for the reasonable expenses incurred by the director in attending
19 the education program.

20 (c) A director of the district who is elected to serve a
21 subsequent term shall fulfill the education requirements specified
22 by district bylaws.

23 SECTION 5. PROHIBITED CONDUCT FOR DIRECTORS AND DISTRICT
24 EMPLOYEES. A director of the district or a district employee may
25 not:

26 (1) accept or solicit any gift, favor, or service
27 that:

1 (A) might reasonably influence the director or
2 employee in the discharge of an official duty; or

3 (B) the director or employee knows or should know
4 is offered with the intent to influence the director's or employee's
5 official conduct;

6 (2) accept other employment or engage in a business or
7 professional activity that the director or employee might
8 reasonably expect would require or induce the director or employee
9 to disclose confidential information acquired in the course of the
10 director's or employee's duties under this chapter;

11 (3) accept other employment or compensation that could
12 reasonably be expected to impair the director's or employee's
13 independent judgment in the performance of the director's or
14 employee's duties under this chapter;

15 (4) make personal investments that could reasonably be
16 expected to create a substantial conflict between the director's or
17 employee's private interest and the interest of the district;

18 (5) intentionally or knowingly solicit, accept, or
19 agree to accept a benefit for the director's or employee's exercise
20 of powers under this chapter or performance of duties under this
21 chapter in favor of a third party; or

22 (6) have a personal interest in an agreement executed
23 by the district.

24 SECTION 6. SEARCHABLE DISTRICT EXPENDITURE DATABASE. (a)
25 The district shall establish and post on the district's Internet
26 website a database of district check register reports, including
27 district expenditures and contracts. The database must include the

1 amount, date, description, payor, and payee of the expenditures
2 and, if applicable, parties to the contract.

3 (b) The district may not include in the database developed
4 under Subsection (a) a district employee's salary or personal
5 identifying information, as defined by Section 521.002, Business &
6 Commerce Code.

7 (c) The district shall prominently display a link to the
8 database established under this section on the district's Internet
9 website. The information provided in the district check register
10 reports must be updated monthly.

11 (d) The district shall keep in the database information
12 required by this section related to an adopted budget until the
13 third anniversary of the date the budget was adopted.

14 SECTION 7. CONDUCT OF ELECTIONS. The district shall
15 publish once before each election to elect members of the board of
16 directors of the district the procedure for conducting an election
17 to elect members of the board of directors of the district in a
18 newspaper of general circulation in each municipality or county in
19 which the district or a portion of the district is located.

20 SECTION 8. Subchapter H, Chapter 49, Water Code, is amended
21 by adding Section 49.2127 to read as follows:

22 Sec. 49.2127. PIPELINE FEES AND REQUIREMENTS IMPOSED BY
23 CERTAIN DISTRICTS. (a) In this section, "retail public utility"
24 has the meaning assigned by Section 13.002.

25 (b) This section applies only to a district whose territory
26 is located wholly or partly in a county:

27 (1) located on the Gulf of Mexico and an international

1 border; or

2 (2) adjacent to a county described by Subdivision (1).

3 (c) Notwithstanding Section 49.002, this section prevails
4 over a special law governing a district.

5 (d) A district may not impose on a retail public utility
6 that proposes to construct a water or sewer pipeline or associated
7 infrastructure in the district's service area:

8 (1) requirements for constructing the pipeline that
9 are unduly burdensome; or

10 (2) a fee that is greater than the actual, reasonable,
11 and documented costs incurred by the district for review, legal
12 services, engineering services, inspection, construction, and
13 repair associated with the retail public utility construction, and
14 any other related costs incurred by the district in association
15 with the retail public utility construction.

16 SECTION 9. This Act takes effect September 1, 2021.

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 2185 passed the Senate on April 29, 2021, by the following vote: Yeas 31, Nays 0; and that the Senate concurred in House amendments on May 29, 2021, by the following vote: Yeas 29, Nays 1, one present not voting.

Secretary of the Senate

I hereby certify that S.B. No. 2185 passed the House, with amendments, on May 26, 2021, by the following vote: Yeas 144, Nays 1, two present not voting.

Chief Clerk of the House

Approved:

Date

Governor