

BILL ANALYSIS

C.S.H.B. 2900
By: Leo-Wilson
Natural Resources
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The Trinity Bay Conservation District oversees water, sewage, and drainage in its area. Concerns have been raised that the oversight of all of these responsibilities has left the district's board of directors challenged to adequately address the full scope of the district's needs, particularly the district's drainage needs. C.S.H.B. 2900 seeks to address these concerns by granting the district all the rights, powers, privileges, functions, and duties provided by the general law of the state applicable to a conservation, reclamation, and drainage district.

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. 2900 amends Chapter 282, Acts of the 51st Legislature, Regular Session, 1949, to grant the Trinity Bay Conservation District all the rights, powers, privileges, functions, and duties provided by the general law of the state applicable to a conservation, reclamation, and drainage district. The bill restricts the district's use of funds generated by property taxes to flood and drainage mitigation in the district and paying for the district's administrative costs. The bill prohibits the district from commingling funds generated by property taxes with funds used for freshwater distribution or sanitary sewer collection services.

EFFECTIVE DATE

September 1, 2023.

COMPARISON OF INTRODUCED AND SUBSTITUTE

While C.S.H.B. 2900 may differ from the introduced in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

Whereas the introduced provided for the Trinity Bay Conservation District to have all rights, powers, privileges, functions, and duties provided by the general law of the state applicable to a drainage district, the substitute instead provides for the district to have all the rights, powers, privileges, functions, and duties provided by the general law of the state applicable to a

conservation, reclamation, and drainage district. The substitute includes provisions absent in the introduced that do the following:

- restrict the district's use of funds generated by property taxes; and
- prohibit the district from commingling funds generated by property taxes with funds used for freshwater distribution or sanitary sewer collection services.

The substitute omits provisions present in the introduced that prohibited the district from performing the same function as a conservation and reclamation district whose territory overlaps with the territory of the district. The substitute omits provisions present in the introduced that removed the district's authority to do the following and made related changes:

- construct, acquire, own, and operate all works, plants, and facilities necessary or useful to produce, transport, distribute, sell, and provide fresh water for domestic and municipal purposes to persons and properties within the district and adjacent areas;
- construct, acquire, own, and operate all works, plants, and facilities necessary or useful to carry off used waters and to collect, transport, process, dispose of, and control all domestic, industrial, and communal wastes, whether of fluids, solids, or composites, within the district and adjacent areas; and
- adopt and enforce reasonable rules and regulations to do the following:
 - secure and maintain safe, sanitary, and adequate plumbing installations, connections, and appurtenances as subsidiary parts of its sanitary sewer system; and
 - preserve the sanitary condition of all water controlled by the district.

The substitute omits a repealer present in the introduced of provisions that authorize the district to issue its revenue bonds, or its combination tax and revenue bonds, for the purpose of providing funds with which to construct or acquire a waterworks system or a sanitary sewer collection and disposal system for service within populated areas of the district and adjacent areas. The substitute omits provisions present in the introduced that made the introduced version's changes to the district's enabling legislation effective December 1, 2024.

The substitute omits provisions present in the introduced that created the Trinity Bay Special Utility District over the territory of the Trinity Bay Conservation District as that territory existed on September 1, 2023, including a provision that prohibited the special utility district from performing a function that may be performed by a drainage district, which would have included the conservation district as provided by the introduced version.

The substitute omits provisions present in the introduced that required the Trinity Bay Conservation District, not later than December 1, 2024, to do the following:

- transfer to the Trinity Bay Special Utility District the conservation district's assets, debts, and contractual rights and obligations relating to the construction, acquisition, ownership, operation, maintenance, repair, improvement, and extension of facilities necessary to do the following:
 - supply water for municipal uses, domestic uses, power and commercial purposes, and other beneficial uses; or
 - collect, transport, process, dispose of, store, and control domestic, industrial, or communal wastes whether in fluid, solid, or composite state; and
- provide notice and make recordings of such transfers as required by the Water Code, the Property Code, and other law.

The substitute omits provisions present in the introduced that related to such transfer, including provisions relating to specified certificates of convenience and necessity that would have been considered to be held by the special utility district following the transfer, a requirement for the conservation district and the special utility district to enter into a memorandum of understanding regarding compensation to the conservation district for transferred assets, and the transfer to the special utility district of the conservation district's powers, functions, and duties that may be exercised by the special utility district.

The substitute omits provisions present in the introduced relating to the legal notice of the bill and the fulfillment and accomplishment of applicable requirements with respect to the notice, introduction, and passage of the bill.