

BILL ANALYSIS

Senate Research Center
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S.B. 2582
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Water, Agriculture & Rural Affairs
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Since its creation in 1937, the San Antonio River Authority (SARA) has managed the creeks and rivers in the San Antonio River basin, encompassing Bexar, Wilson, Karnes, and Goliad counties. Through its extensive work with stakeholders and partners in the basin, SARA is regarded as generally well-run, with a reputation for strong leadership and highly respected expertise across the various areas in which it works. However, the basin's rapid population growth has resulted in increasing demand for SARA's services, and the authority needs to evolve quickly to meet these new demands.

The Sunset Advisory Commission recommends that SARA develop processes to be more transparent and accountable in its strategic planning and project selection processes, as well as in managing its various reserve funds. The commission also recommends that SARA better align its nonprofit partnerships with best practices, and a number of standard contracting practices to ensure consistency and transparency in the way SARA awards and manages its contracts. Taken together, these recommendations would help ensure SARA is best equipped to continue to be effective in the face of population growth and evolving demands on its services in the basin.

Key Provisions:

- Amends SARA's Sunset review date from 2023 to 2035.
- Directs SARA to conduct more comprehensive, inclusive strategic planning.
- Directs SARA to establish guidelines for evaluating and selecting projects and publish them on its website.
- Directs SARA to publish more digestible information about its tax revenue spending and rate setting process on its website.
- Directs SARA's board to update its fund balance policy.
- Eliminates an outdated master planning requirement in SARA's enabling law that does not reflect the authority's current practice.
- Clearly authorizes SARA to work with nonprofits and makes other changes to clarify SARA's responsibilities related to nonprofit relationship management.
- Applies standard Sunset good government provisions on board member training and complaint tracking and reporting.

As proposed, S.B. 2582 amends current law relating to the San Antonio River Authority, following recommendations of the Sunset Advisory Commission and alters the terms of office of the members of the board of directors of the authority.

[**Note:** While the statutory reference in this bill is to the San Antonio River Canal and Conservancy District (district), the following amendments affect San Antonio River Authority, as successor agency to the 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. Amends Section 1-a(a), Chapter 276, Acts of the 45th Legislature, Regular Session, 1937, as follows:

(a) Requires that the review of the San Antonio River Canal and Conservancy District (district) be conducted under Section 325.025 (River Authorities Subject to Review), Government Code, as if the district were a state agency scheduled to be abolished September 1, 2035, rather than September 1, 2023, and every 12th year after that year.

SECTION 2. Amends Section 3, Chapter 276, Acts of the 45th Legislature, Regular Session, 1937, as follows:

Sec. 3. POWERS OF THE DISTRICT. Provides that it is the duty of the district to exercise certain powers, including:

(a)-(d) Makes no changes to these subsections.

(e) Soil Conservation: For certain purposes, all in furtherance of the purposes of the district as provided by this Act, rather than in furtherance of the 'Master Plan' as defined in Section 4-a (relating to requiring that the district have the power to make preliminary investigations and survey in a certain manner and purpose).

(f)-(k) Makes no changes to these subsections.

SECTION 3. Amends Chapter 276, Acts of the 45th Legislature, Regular Session, 1937, by adding Section 5, as follows:

Sec. 5. PARTNERSHIP WITH NONPROFIT ORGANIZATION. (a) Defines "affiliated nonprofit organization."

(b) Authorizes the district to contract or otherwise coordinate with a nonprofit organization, including an affiliated nonprofit organization, to accomplish the purposes of the district.

(c) Prohibits members of the board of directors of the district (board) or employees of the district from constituting a majority of the board of directors or other governing body of an affiliated nonprofit organization.

(d) Requires the board to develop a policy regarding fund-raising activities of any nonprofit organizations that enter into a partnership with the district. Requires that the policy:

(1) include acceptable and prohibited fund-raising activities;

(2) specify how fund-raising is conducted and supervised; and

(3) include criteria for seeking and selecting corporate sponsors to ensure that sponsorships serve the public interest and are consistent with the purposes of the district.

(e) Requires that a memorandum of understanding between the district and an affiliated nonprofit organization entered into under this section include the policy developed by the board under Subsection (d) of this section.

SECTION 4. Amends Section 9, Chapter 276, Acts of the 45th Legislature, Regular Session, 1937, as follows:

Sec. 9. GOVERNING BODY OF THE DISTRICT; QUALIFICATIONS OF MEMBERS OF THE BOARD; VACANCIES; TERM OF OFFICE. Requires each director to serve

for a term of four years, rather than six (6) years, and to hold office until the director's successor, rather than his successor, has been elected and has qualified by taking the oath of office. Makes nonsubstantive changes.

SECTION 5. Amends Chapter 276, Acts of the 45th Legislature, Regular Session, 1937, by adding Sections 13-a, 13-b, 13-c, and 13-d, as follows:

Sec. 13-a. TRAINING FOR BOARD MEMBERS. (a) Prohibits a person who is elected or appointed to and qualifies for office as a member of the board from voting, deliberating, or being counted as a member in attendance at a meeting of the board until the person completes a training program that complies with this section.

(b) Requires that the training program provide the person with information regarding:

(1) the law governing the district's operations;

(2) the programs, functions, rules, and budget of the district;

(3) the scope of and limitations on the rulemaking authority of the board;

(4) the results of the most recent formal audit of the district;

(5) the requirements of:

(A) laws relating to open meetings, public information, administrative procedure, and disclosing conflicts of interest; and

(B) other laws applicable to members of the governing body of a river authority in performing their duties; and

(6) any applicable ethics policies adopted by the district or the Texas Ethics Commission.

(c) Entitles a person elected or appointed to the board to reimbursement for the travel expenses incurred in attending the training program regardless of whether the attendance at the program occurs before or after the person qualifies for office.

(d) Requires the manager of the district to create a training manual that includes the information required by Subsection (b) of this section. Requires the manager of the district to distribute a copy of the training manual annually to each member of the board. Requires each member of the board to sign and submit to the manager of the district a statement acknowledging that the member received and reviewed the training manual.

Sec. 13-b. POLICIES TO SEPARATE POLICY-MAKING AND STAFF FUNCTIONS. Requires the board to develop and implement policies that clearly separate the policy-making responsibilities of the board and the management responsibilities of the manager and the staff of the district.

Sec. 13-c. PUBLIC TESTIMONY AT BOARD MEETINGS. Requires the board to develop and implement policies that provide the public with a reasonable opportunity to appear before the board and to speak on any issue under the jurisdiction of the district.

Sec. 13-d. COMPLAINT INFORMATION REQUIREMENTS. (a) Require the district to maintain a system to promptly and efficiently act on complaints filed with the district. Requires the district to maintain information about parties to the complaint, the subject matter of the complaint, a summary of the results of the review or investigation of the complaint, and its disposition.

(b) Requires the district to make information available describing its procedures for complaint investigation and resolution.

(c) Requires the district to periodically notify the complaint parties of the status of the complaint until final disposition unless the notice would jeopardize an investigation.

SECTION 6. Amends Chapter 276, Acts of the 45th Legislature, Regular Session, 1937, by adding Section 14-b, as follows:

Sec. 14-b. FISCAL YEAR. Provides that the district's fiscal year ends on September 30 of each year.

SECTION 7. Amends Section 15-a, Chapter 276, Acts of the 45th Legislature, Regular Session, 1937, as follows:

Sec. 15-a. TAXATION. (a)-(e) Makes no changes to these subsections.

(f) Requires that any taxes thus collected be used for the purpose of general administration and for planning and other services, rather than for the purpose of preparation of the Master Plan provided for in Section 4-a, and for other planning and services, with respect to any of the purposes, rights, privileges and functions of the district; provided, however, that certain criteria are met. Provides that it is the intent of this Act that any taxes thus collected will enable the district to accomplish its purposes, including the maximum development, rather than to develop a Master Plan for the maximum development of the soil and water resources of the district, it being hereby found and determined that the benefits to be realized from such maximum development can be obtained only through area-wide participation and planning. Makes a nonsubstantive change.

SECTION 8. Repealers: Sections 4-a (relating to requiring that the district have the power to make preliminary investigations and survey in a certain manner and purpose) and 14-a, Chapter 276, Acts of the 45th Legislature, Regular Session, 1937.

SECTION 9. (a) Makes application of this Act prospective.

(b) Requires the directors elected at the election held on the uniform election date in November 2023 to draw lots to determine which director serves a term of four years and which director serves a term of two years.

(c) Authorizes a person serving on the board, notwithstanding Section 13-a, Chapter 276, Acts of the 45th Legislature, Regular Session, 1937, as added by this Act, to vote, deliberate, and be counted as a director in attendance at a meeting of the board until December 1, 2023.

SECTION 10. 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 11. Effective date: upon passage or September 1, 2023.