

BILL ANALYSIS

C.S.H.B. 391
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Natural Resources
Committee Report (Substituted)

BACKGROUND AND PURPOSE

According to a recent news report by NBC DFW and based on U.S. Census Bureau data, Kaufman County is the fastest-growing county in Texas by percentage increase. The bill author has informed the committee that helping to propel this population growth are over 20 special purpose districts that contain thousands of homes, with thousands more currently under construction. The bill author has also informed the committee that a number of these districts hold board meetings and tax rate hearings outside their jurisdictional boundaries, with meetings occurring up to 30 to 50 miles away, and often do not provide remote access, which can make it inconvenient for the public to participate. C.S.H.B. 391 seeks to provide greater accountability to district residents by expanding the applicability of a requirement for certain districts to conduct meetings at certain nearby locations and providing for meetings conducted by telephone conference call or video conference call.

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. 391 amends the Water Code to authorize the board of a water district that is subject to Chapter 49 of that code to hold a regular or special meeting by telephone conference call or video conference call if at least one board member participating in the meeting is physically present at a location that is open to the public during the open portions of the meeting. The bill requires a board member who participates in the meeting by telephone conference call or video conference call to be counted as present at the meeting for all purposes.

C.S.H.B. 391 makes the following changes to provisions that require the boards of certain water districts in which more than half of the district's projected retail water or sewer connections are active, if they conduct meetings at least quarterly, to conduct a meeting at least once per quarter at a designated meeting location inside the district or within 10 miles of the district's boundary, unless such a location is not practical, in which case the meeting may be at another designated meeting place in the county in which the district is located:

- removes the criteria limiting the application of those provisions to a rural area district that is not wholly or partly located in a county that as of the 2010 Census had a population of 800,000 or more or bordered a county with a population of 800,000 or more; and

- authorizes the board to conduct the required meeting by telephone conference call or video conference call, as provided by the bill, as an alternative to conducting the meeting at an applicable designated meeting location.

C.S.H.B. 391 requires a public hearing at which the adoption of a municipal utility district tax rate will be considered to be conducted as follows:

- at a designated meeting location either inside the district or within 10 miles of the district's boundary; or
- by telephone conference call or video conference call, as provided by the bill.

EFFECTIVE DATE

September 1, 2025.

COMPARISON OF INTRODUCED AND SUBSTITUTE

While C.S.H.B. 391 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.

The substitute includes provisions that were not in the introduced that do the following:

- authorize the boards of certain water districts to hold a regular or special meeting by telephone conference call or video conference call if at least one board member participating in the meeting is physically present at a location that is open to the public during the open portions of the meeting; and
- require a board member who participates in the meeting by telephone conference call or video conference call to be counted as present at the meeting for all purposes.

Both the introduced and substitute amend provisions establishing quarterly meeting location requirements for a rural area district in which more than half of the district's projected retail water or sewer connections are active and that is not wholly or partly located in a county that as of the 2010 Census had a population of 800,000 or more or bordered a county with a population of 800,000 or more. However, the two versions differ in the following ways:

- whereas the introduced replaced the existing location criteria with the criteria that the district is not wholly or partly located in a county that has a population of 325,000 or more, the substitute entirely removes the criteria that the district is not wholly or partly located in one of the specified counties and removes the term "rural area district";
- both versions authorize an applicable board to conduct a quarterly meeting by telephone conference call or video conference call as an alternative to conducting the meeting at an applicable designated meeting location, but the substitute specifies that the call must be in the manner provided by the substitute's provisions relating to such calls; and
- the substitute omits the introduced version's requirement for a meeting held by a rural area district's board to discuss the tax rate of the district to be conducted in person.

The substitute includes a provision absent from the introduced that establishes requirements for a public hearing at which the adoption of a municipal utility district tax rate will be considered.