

## **BILL ANALYSIS**

Senate Research Center  
89R3114 SCF-D

S.B. 2406  
By: Paxton et al.  
Local Government  
3/28/2025  
As Filed

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

Established in 1949, the Sabine River Authority of Texas (SRA) maintains three reservoirs and a canal system in the Sabine River basin to supply raw water to municipal, industrial, and agricultural customers. SRA also operates a hydroelectric power plant on the Toledo Bend reservoir, maintains recreational parks and facilities for public use, and provides community assistance and economic development grants to eligible entities within the basin. Overall, the Sunset Advisory Commission found SRA to be a well-run organization in a solid financial position to meet the water needs of its basin but also identified good governance standards and best practices that would strengthen the authority's operations. SRA is not subject to abolishment under the Sunset Act.

S.B. 2406 extends SRA's sunset review date 12 years to 2037 and applies good government standards to SRA's governing law. These standards are applied across-the-board to all entities under Sunset review. These include:

- Requires the governor to designate a member of the SRA board to serve as the board president.
- Specifies the grounds and process for removing an SRA board member.
- Establishes board member training requirements.
- Requires SRA to adopt policies to clearly separate board functions from the authority's day-to-day staff operations.
- Requires SRA to include public testimony as an agenda item at every regular board meeting.
- Requires SRA to maintain a system for receiving and acting on complaints and to make information available regarding its complaint procedures.

As proposed, S.B. 2406 amends current law relating to the Sabine River Authority of Texas, following recommendations of the Sunset Advisory Commission, and specifies grounds for the removal of a member of the board of directors.

### **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 2A(a), Chapter 110, Acts of the 51st Legislature, Regular Session, 1949, to require that a review under the Texas Sunset Act be conducted under Section 325.025 (River Authorities Subject to Review), Government Code, as if the Sabine River Authority (SRA) were a state agency scheduled to be abolished September 1, 2037, rather than September 1, 2025, and every 12th year after that year.

SECTION 2. Amends Section 4, Chapter 110, Acts of the 51st Legislature, Regular Session, 1949, as follows:

Sec. 4. Requires the governor to designate a director as the president of the board of directors (board) to serve in that capacity at the pleasure of the governor. Requires the

directors of SRA to organize by electing one of their members vice-president, rather than president, and one secretary and a secretary pro tem.

SECTION 3. Amends Chapter 110, Acts of the 51st Legislature, Regular Session, 1949, by adding Sections 4A, 4B, 6A, and 6B, as follows:

Sec. 4A. (a) Provides that it is a ground for removal from the board that a director does not have at the time of taking office the qualifications required by Section 3 of this Act (relating to requiring the management and control of all of SRA be vested in the board with certain requirements); does not maintain during service on the board the qualifications required by Section 3 of this Act; violates Chapter 171 (Regulation of Conflicts of Interest of Officers of Municipalities, Counties, and Certain Other Local Governments), Local Government Code; cannot, because of illness or disability, discharge the director's duties for a substantial part of the director's term; or is absent from more than half of the regularly scheduled board meetings that the director is eligible to attend during a calendar year without an excuse approved by a majority vote of the board.

(b) Provides that the validity of an action of the board is not affected by the fact that it is taken when a ground for removal of a director exists.

(c) Requires the manager of SRA (manager), if the manager has knowledge that a potential ground for removal exists, to notify the president of the board (president) of the potential ground. Requires the president to then notify the governor and the attorney general that a potential ground for removal exists. Requires the manager, if the potential ground for removal involves the president, to notify the next highest ranking director, who is required to then notify the governor and the attorney general that a potential ground for removal exists.

Sec. 4B. (a) Prohibits a person who is appointed to and qualifies for office as a director from voting, deliberating, or being counted as a director 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 certain information.

(c) Provides that a person appointed to the board is entitled 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 to create a training manual that includes the information required by Subsection (b) of this section. Requires the manager to distribute a copy of the training manual annually to each director. Requires each director to sign and submit to the manager a statement acknowledging that the director received and has reviewed the training manual.

Sec. 6A. (a) Requires SRA to maintain a system to promptly and efficiently act on complaints filed with SRA. Requires SRA 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 SRA to make information available describing its procedures for complaint investigation and resolution.

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

Sec. 6B. 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 SRA.

SECTION 4. Amends Section 10, Chapter 110, Acts of the 51st Legislature, Regular Session, 1949, as follows:

Sec. 10. Requires, rather than authorizes, the directors to employ a manager for SRA, and is authorized to give the manager, rather than him, full authority in the management and operation of the district affairs (subject only to the orders of the board).

SECTION 5. Amends Chapter 110, Acts of the 51st Legislature, Regular Session, 1949, by adding Section 10A, to require 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 employees of SRA.

SECTION 6. (a) Provides that, except as provided by Subsection (b) of this section, Section 4B, Chapter 110, Acts of the 51st Legislature, Regular Session, 1949, as added by this Act, applies to a member of the board appointed before, on, or after the effective date of this Act.

(b) Authorizes a person serving on the board, notwithstanding Section 4B, Chapter 110, Acts of the 51st Legislature, Regular Session, 1949, 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, 2025. Prohibits a director from voting, deliberating, or being counted as a member in attendance at a meeting of the board held on or after December 1, 2025, until the member completes the training required by that section.

SECTION 7. Provides that all requirements of the constitution and the 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 8. Effective date: September 1, 2025.