

## **BILL ANALYSIS**

Senate Research Center  
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S.B. 2407  
By: Sparks et al.  
Local Government  
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As Filed

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

The Texas Legislature established the Lower Neches Valley Authority (LNVA) in 1933 to manage storm and floodwaters of the Neches River. Following the discovery of oil at Spindletop, LNVA was tasked with addressing the growing water needs of the Beaumont-Port Arthur area. LNVA has the authority to build and operate water infrastructure, store water for hydroelectric power, acquire land through eminent domain, maintain canals, and promote economic development through community programs. Its jurisdiction covers all of Hardin, Jefferson, and Tyler counties, as well as parts of Chambers and Liberty counties. LNVA is governed by a nine-member board of directors appointed by the governor with senate approval.

In 2024, the Sunset Advisory Commission conducted a review of LNVA and recommended several governance improvements. These included requiring the governor to appoint the presiding officer, setting clear grounds and processes for board member removal, and implementing mandatory training on the authority's operations, laws, and ethics. The commission also recommended separating board and staff duties, ensuring public testimony at meetings, and creating a complaints system with accessible procedures and regular updates.

S.B. 2407 implements governance reforms for the LNVA, including a 12-year review cycle under the Sunset Act, with the next review starting in 2037. It establishes a governor-appointed board president, requires clear separation of policymaking and management roles, and sets specific grounds for the removal of board members, such as failure to meet qualifications or excessive absences. New board members must complete mandatory training by December 1, 2025, covering authority operations, ethics, and legal requirements. The bill also requires public testimony opportunities and a system for efficiently handling and tracking complaints.

As proposed, S.B. 2407 amends current law relating to the Lower Neches Valley Authority, 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 8504.0021(a), Special District Local Laws Code, 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 authority 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 Subchapter B, Chapter 8504, Special District Local Laws Code, by adding Sections 8504.0555, 8504.058, 8504.059, 8504.060, 8504.061, and 8504.062, as follows:

Sec. 8504.0555. BOARD PRESIDENT. Requires the governor to designate a member of the board of directors of the Lower Neches Valley Authority (board) as the board to serve in that capacity at the pleasure of the governor.

Sec. 8504.058. SEPARATION OF POLICYMAKING AND MANAGEMENT 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 general manager of the Lower Neches Valley Authority (general manager) and the staff of the Lower Neches Valley Authority (LNVA).

Sec. 8504.059. REMOVAL. (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 Sections 8504.051(b) (relating to requiring each director to be a freehold property taxpayer and a qualified voter of this state) and (c) (relating to requiring five directors to live in Jefferson County, two directors to reside in Hardin County, and two directors to reside in Tyler County); does not maintain during service on the board qualifications required by Sections 8504.051(b) and (c); 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 general manager, if the general manager has knowledge that a potential ground for removal exists, to notify the board president of the potential ground. Requires the board president to then notify the governor and the attorney general that a potential ground for removal exists. Requires the general manager, if the potential ground for removal involves the president, to notify the next highest ranking director, who is then required to notify the governor and the attorney general that a potential ground for removal exists.

Sec. 8504.060. REQUIRED TRAINING. (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 general manager to create a training manual that includes the information required by Subsection (b). Requires the general manager to distribute a copy of the training manual annually to each director. Requires each director to sign and submit to the general manager a statement acknowledging that the director received and has reviewed the training manual.

Sec. 8504.061. PUBLIC TESTIMONY. 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 LNVA.

Sec. 8504.062. COMPLAINTS; DUTY TO RESPOND. (a) Requires LNVA to maintain a system to promptly and efficiently act on complaints filed with LNVA. Requires LNVA 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 LNVA to make information available describing its procedures for complaint investigation and resolution.

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

SECTION 3. Provides that, except as provided by Subsection (b) of this section, Section 8504.060, Special District Local Laws Code, 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 member of the board, notwithstanding Section 8504.060, Special District Local Laws Code, 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 member of the board 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 4. 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 5. Effective date: September 1, 2025.