

## **BILL ANALYSIS**

Senate Research Center  
83R3387 SGA-D

S.B. 448  
By: Fraser  
Natural Resources  
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As Filed

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

The Lower Colorado River Authority (LCRA) is a conservation and reclamation district that was created by the Texas Legislature in 1934. It receives no state tax revenues, but operates by selling electricity, electric transmission, and water services at cost. LCRA's fiscal year 2013 business plan projects total net revenues of more than \$1.2 billion for the fiscal year with operating expenses around \$749.4 million. It is important for an entity of this size to be accountable to its customers and transparency is a key part of this accountability.

S.B. 448 allows the state auditor to audit the financial transactions of special water authorities. The special water authority will be required to pay the cost incurred by the state auditor in performing the audit. The bill requires the state auditor to perform an audit of the LCRA and file a written report by January 1, 2015.

As proposed, S.B. 448 amends current law relating to the audit of certain river authorities.

### **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 49.199(b), Water Code, as follows:

(b) Authorizes the state auditor to audit the financial transactions of any district, including a special water authority, if the state auditor determines that the audit is necessary. Requires a district audited under this subsection to reimburse the state auditor for the cost of performing the audit.

SECTION 2. (a) Requires the state auditor, notwithstanding Section 49.199(b), Water Code, as amended by this Act, and subject to approval by the Legislative Audit Committee (committee) for inclusion in the audit plan under Section 321.013(c) (relating to the requirement that the state auditor recommend the audit plan for the state for each year), Government Code, to conduct comprehensive financially related audits, including audits of the operations and performance, of the Lower Colorado River Authority.

(b) Requires a river authority audited under this section to cooperate and provide assistance and access to all necessary records, confidential or nonconfidential, to the state auditor in conducting the audit under this section.

(c) Requires the state auditor, not later than January 1, 2015, to prepare a written report for an audit conducted under this section and file the report in accordance with Section 321.014 (Audit Reports), Government Code.

(d) Requires a river authority audited under this section to reimburse the state auditor for the cost of performing the audit.

SECTION 3. Effective date: upon passage or September 1, 2013.