

BILL ANALYSIS

Senate Research Center
84R17599 TSR-D

H.B. 950
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Agriculture, Water & Rural Affairs
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Interested parties note that currently the Texas Commission on Environmental Quality (TCEQ) has certain oversight over a groundwater conservation district's groundwater management activities and that the state auditor has certain authority to audit the records and management plans of such a district. The parties contend that the typical role of the state auditor is to audit the finances and not the planning or management of a political subdivision and that in recent years the state auditor's role in auditing the records and management plans of districts has become duplicative given TCEQ's oversight of the districts. Although the state auditor's audit of district records and management plans was initially intended to help identify underperforming or shell districts, the interested parties contend that it has had the unintended consequence of deterring active districts from developing meaningful and robust management plans. H.B. 950 seeks to address these issues.

H.B. 950 amends current law relating to the review of groundwater conservation districts by the state auditor.

[**Note:** While the statutory reference in this bill is to the Texas Natural Resource Conservation Commission (TNRCC), the following amendments affect the Texas Commission on Environmental Quality as the successor agency to TRCC.]

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 35.018(b), Water Code, as follows:

(b) Requires that the comprehensive report concerning activities relating to the designation of priority groundwater management areas by TNRCC and the creation and operation of districts include certain information as set forth, including a report on remedial actions taken under Section 36.303 (Action by Commission), rather than a report on audits performed on districts under Section 36.302 and remedial actions taken under Section 36.303.

SECTION 2. Amends Section 36.061(b), Water Code, to authorize the state auditor to conduct a financial audit of any district if the state auditor determines that the audit is necessary, rather than to authorize the state auditor to audit the records of any district if the state auditor determines that the audit is necessary.

SECTION 3. Amends Section 36.1072(f), Water Code, to prohibit an enforcement action from being taken against a district by TNRCC, rather than TNRCC or the state auditor, under Subchapter I because the district's management plan and the approved regional water plan are in conflict while the parties are attempting to resolve the conflict before the Texas Water Development Board, in mediation, or in court.

SECTION 4. Amends Section 36.303(a), Water Code, to require TNRCC, if Section 36.301 or 36.3011, rather than Section 36.108 or 36.302(f) applies, after notice and hearing in accordance with Chapter 2001 (Administrative Procedure), Government Code, to take certain actions as set forth TNRCC considers appropriate.

SECTION 5. Repealer: Section 36.302 (Legislative Audit Review; Determination of Whether District is Operational), Water Code.

SECTION 6. Effective date: upon passage or September 1, 2015.