

By: Schwertner

S.B. No. 1110

A BILL TO BE ENTITLED

AN ACT

relating to the authority of a municipality to transfer revenue of a municipal utility to the general fund of the municipality.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter Z, Chapter 552, Local Government Code, is amended by adding Section 552.915 to read as follows:

Sec. 552.915. PROHIBITION ON TRANSFER OF MUNICIPAL UTILITY REVENUE. (a) In this section:

(1) "Municipal utility" means a utility system owned, operated, or controlled by a municipality.

(2) "Utility system" has the meaning assigned by Section 552.914.

(b) Notwithstanding any other law, a municipality may not transfer revenue from a municipal utility to the general fund of the municipality if the transfer would result in a rate increase or financial deficit for the municipal utility.

(c) A municipal utility may not include transfers of revenue from a municipal utility to the general fund of the municipality in the municipal utility's cost of service study.

SECTION 2. This Act takes effect September 1, 2023.