

## **BILL ANALYSIS**

H.B. 2241  
By: Callegari  
Natural Resources  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Many MUDs exist within the corporate limits or extraterritorial jurisdictions of municipalities. Written agreements, such as development agreements, utility agreements and strategic partnership agreements between the MUDs and the municipalities set forth the rights and responsibilities of each party. Section 54.016(f), Water Code, provides that certain agreements, termed "allocation agreements," must include certain terms and conditions. By requiring certain terms and conditions, whether or not those terms and conditions are desirable to the parties, Section 54.016(f) limits the ability of MUDs and municipalities to contract at their full discretion. House Bill 2241 repeals this section of the Water Code. Other statutes clearly authorize MUDs and municipalities to contract, making the authority provided by Section 54.016(f) unnecessary.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

H.B. 2241 repeals Section 54.016(f), Water Code, which authorizes a city to require in its written consent to the inclusion of land in a MUD that an allocation agreement must be entered into between the city and the MUD before the MUD issues bonds or other obligations.

### **EFFECTIVE DATE**

H.B. 2241 takes effect immediately if it receives a 2/3rds vote in both chambers, otherwise it takes effect Sept. 1, 2005.