

BILL ANALYSIS

Senate Research Center
80R21477 HLT-D

C.S.H.B. 3378
By: Truitt (Brimer)
Natural Resources
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Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Current law allows for the creation of special districts such as municipal utility, fresh water, and other entities in the extraterritorial jurisdiction (ETJ) of a city that will be annexed in the future. However, current law does not require the districts to install water infrastructure systems that meet the standards that are essential to urban areas. This is a threat to safety because these areas might consist of high density residential developments that would be insufficiently served by the water infrastructure. Thus, when the area is annexed, the city is forced to make costly upgrades to the infrastructure to bring it to the city's standards

C.S.H.B. 3378 amends the Water Code to allow cities to require that a water district in the city's ETJ must meet the fire flow requirements adopted by that city as a condition to granting consent to the creation or expansion of the water district. This bill also authorizes a city to supplement its consent to the water district creation in settlement of a water rate dispute with a district, with the supplement's terms remaining in effect after the expiration of the consent unless the city and district agree otherwise.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to any state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 42.042(a), Local Government Code, as follows:

(a) Prohibits the governing body of a municipality from placing any conditions or other restrictions on the creation of a political subdivision, other than those expressly permitted by Sections 54.016(e) (regarding certain information that is authorized for inclusion in a city's written consent to the inclusion of land in a district) and (i), Water Code, in written consent by ordinance or resolution for the extraterritorial jurisdiction of a municipality with a purpose of supplying fresh water for domestic or commercial use or to furnish sanitary sewer services, roadways, or drainage.

SECTION 2. Amends Section 54.016, Water Code, by adding Subsection (i) and (j), as follows:

(i) Authorizes a city to provide in its written consent to the inclusion of land in a district that a district water facility that serves land developed and subdivided into lots of less than one acre must meet the fire flow requirements to which the city is subject.

(j) Authorizes a city to supplement its written consent in settlement of a water rate dispute with a district, and provides that the terms of the supplement remain in effect after expiration of the written consent unless the city and the district agree otherwise.

SECTION 3. (a) Makes application of Section 54.016(i), as added by this Act, prospective.

(b) Provides that Section 54.016(j), Water Code, as added by this Act, applies to a supplement to a municipality's consent to the inclusion of land in a district in effect on or after the effective date of this Act.

SECTION 4. Effective date: upon passage or September 1, 2007.