

By: Wentworth

S.B. No. 1810

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the creation, re-creation, and powers of municipal
3 power agencies.

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

5 SECTION 1. Section 163.054, Utilities Code, is amended to
6 read as follows:

7 Sec. 163.054. CREATION OF AGENCY. (a) Public entities may
8 create an agency by concurrent ordinances [~~subject to voter~~
9 ~~approval~~].

10 (b) [~~A public entity may join in the creation of an agency~~
11 ~~under this subchapter only if on May 8, 1975, and at the time the~~
12 ~~concurrent ordinance is adopted, the entity was engaged in the~~
13 ~~authorized generation of electric energy for sale to the public.~~
14 ~~This subsection does not prohibit a public entity from disposing of~~
15 ~~its electric generating capabilities after creation of the agency.~~

16 [~~(c)~~] An agency is a:

- 17 (1) separate municipal corporation;
18 (2) political subdivision of this state; and
19 (3) political entity and corporate body.

20 (c) [~~(d)~~] An agency may not impose a tax but has all the
21 other powers relating to municipally owned utilities and provided
22 by law to a municipality that owns a public utility.

23 SECTION 2. Subsection (a), Section 163.056, Utilities
24 Code, is amended to read as follows:

1 (a) If an election is called, the ~~[The]~~ governing body of
2 each public entity shall publish notice of its intention to create
3 an agency once a week for two consecutive weeks.

4 SECTION 3. Section 163.058, Utilities Code, is amended by
5 amending Subsections (a) and (b) and adding Subsection (d) to read
6 as follows:

7 (a) An agency may not be created unless the creation is
8 approved by a majority of the governing body ~~[qualified voters]~~ of
9 each public entity creating the agency at an election called and
10 held for that purpose.

11 (b) An agency may not be re-created by addition of a public
12 entity unless the re-creation is approved by a majority of the
13 governing body ~~[qualified voters]~~ of the additional public entity
14 ~~[at an election called and held for that purpose]~~.

15 (d) A public entity may ask that the creation or re-creation
16 of an agency be confirmed by approval of a majority of qualified
17 voters.

18 SECTION 4. Subsection (a), Section 163.060, Utilities Code,
19 is amended to read as follows:

20 (a) An agency may not engage in any utility business other
21 than the generation, transmission, and sale or exchange of electric
22 energy for resale to:

23 (1) a participating public entity; or

24 (2) a private entity ~~[that owns jointly with the~~
25 ~~agency an electric generating facility in this state]~~.

26 SECTION 5. Subsection (c), Section 163.055, Utilities Code,
27 is repealed.

1 SECTION 6. (a) The change in law made by this Act to
2 Sections 163.054, 163.055, 163.056, and 163.58, Utilities Code,
3 applies only to the creation or re-creation of a municipal power
4 agency occurring on or after the effective date of this Act. The
5 creation or re-creation of a municipal power agency occurring
6 before the effective date of this Act is covered by the law in
7 effect immediately before the effective date of this Act, and the
8 former law is continued in effect for that purpose.

9 SECTION 7. This Act takes effect immediately if it receives
10 a vote of two-thirds of all the members elected to each house, as
11 provided by Section 39, Article III, Texas Constitution. If this
12 Act does not receive the vote necessary for immediate effect, this
13 Act takes effect September 1, 2007.