

BILL ANALYSIS

H.B. 1901
By: Keffer
Natural Resources
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Currently, certain special purpose districts are exempted from the required approval of the Texas Commission on Environmental Quality (TCEQ) over the issuance of bonds. According to interested parties, the rationale behind such exemptions is to eliminate unnecessary bureaucratic red tape for those districts that are well established with a significant number of customers and an investment grade rating. H.B. 1901 seeks to apply that same rationale to certain public utility agencies by establishing provisions relating to the applicability of provisions concerning bond approval by TCEQ to certain water entities.

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. 1901 amends the Water Code to make provisions relating to the authority of the Texas Commission on Environmental Quality (TCEQ) over the issuance of bonds by a water district inapplicable to, among other things, a public utility agency, or bonds issued by such a public utility agency, created under Local Government Code provisions relating to public utility agencies for the provision of water or sewer service, that has a participating public entity in which there is at least one district that on September 1, 2003, is a municipal utility district that includes territory in only two counties, has outstanding long-term indebtedness that is rated BBB or better by a nationally recognized rating agency for municipal securities, and has at least 5,000 active water connections.

H.B. 1901 makes conforming and nonsubstantive changes.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2011.