

BILL ANALYSIS

C.S.H.B. 3620
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Natural Resources
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Certain statutes provide for the creation of a public utility agency for the provision of water or sewer service and for the re-creation of such an agency when certain entities are added to or deleted from it. Interested parties contend that characterizing additions or deletions of entities to a public utility agency as a re-creation of the agency may cause confusion regarding the rights, obligations, and ongoing nature of such an agency. C.S.H.B. 3620 seeks to address this issue by establishing provisions relating to changes in participation in public utility agencies.

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

C.S.H.B. 3620 amends the Local Government Code to authorize the public entities that participate in a public utility agency for the provision of water or sewer service by concurrent ordinances to add a public entity to, or delete a public entity from, participation in the public utility agency, rather than authorizing the public entities that create a public utility agency by concurrent ordinances to re-create the agency by adding or deleting, or both, a public entity.

C.S.H.B. 3620 specifies that the provision of law requiring the governing body of each public entity to publish notice of its intention to create a public utility agency in a newspaper of general circulation in the county in which the entity is located applies to the governing body of each public entity that participates in the creation of a public utility agency. The bill requires the governing body of a public entity that proposes to be added to an existing public utility agency to publish notice of its intention to be added to the agency in a newspaper of general circulation in the county in which the entity is located. The bill adds to the information required to be stated by such a notice that a public entity will be added to a public utility agency, as applicable, on the date on which the concurrent ordinances take effect.

C.S.H.B. 3620 specifies that the provision prohibiting a concurrent ordinance from taking effect unless a majority of the qualified voters of a public entity voting in an election called after 10 percent of the registered voters of the entity present a petition to the governing body of the entity requesting a referendum applies to an ordinance that creates a public utility agency or adds a public entity to an agency and to a public entity required to publish notice of the creation or addition.

C.S.H.B. 3620 redefines "concurrent ordinance" and makes conforming and nonsubstantive changes.

EFFECTIVE DATE

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

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 3620 contains a specification not included in the original that the statutory provision requiring the governing body of each public entity to publish notice of its intention to create a public utility agency in a newspaper of general circulation in the county in which the entity is located applies to the governing body of each public entity that participates in the creation of a public utility agency. The substitute differs from the original by adding new language to require the governing body of a public entity that proposes to be added to an existing public utility agency to publish notice of its intention to be added, whereas the original contains substantially the same requirement by amending the existing statutory provision requiring publication of notice.

C.S.H.B. 3620 contains language not included in the original requiring such notice to state that a public entity will be added to a public utility agency.

C.S.H.B. 3620 differs from the original by specifying that the provision prohibiting a concurrent ordinance from taking effect unless a majority of the qualified voters of a public entity voting in an election called after 10 percent of the registered voters of the entity present a petition to the governing body of the entity requesting a referendum applies to a public entity required to publish notice of the creation or addition, whereas the original does not provide such specification.

C.S.H.B. 3620 differs from the original in nonsubstantive ways by conforming to certain bill drafting conventions and making a clarifying change to the law.