

By: Dutton

H.B. No. 491

A BILL TO BE ENTITLED

AN ACT

relating to the authority of a water and sewer utility to impose an impact fee.

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

SECTION 1. Section 13.185(j), Water Code, is amended to read as follows:

(j) Depreciation expense included in the cost of service includes depreciation on all currently used, depreciable utility property owned by the utility except for property provided by explicit customer agreements or funded by customer contributions in aid of construction. Depreciation on all currently used and useful developer or governmental entity contributed property or infrastructure funded by an impact fee shall be allowed in the cost of service.

SECTION 2. Subchapter F, Chapter 13, Water Code, is amended by adding Section 13.193 to read as follows:

Sec. 13.193. IMPACT FEE. (a) In this section, "impact fee" means a charge or assessment imposed by a utility against a customer to generate revenue to fund or recover the cost of constructing or installing a tap or connection to the utility's water, sanitary sewer, or drainage facilities, including all necessary service lines and meters.

(b) A utility may file with the regulatory authority an application to impose a reasonable impact fee against a customer at

1 the time the customer requests new construction or new
2 installation.

3 (c) A utility may change the terms under which an impact fee
4 is imposed or the amount of the fee only by filing an application
5 with the regulatory authority.

6 (d) An application to impose an impact fee or to change the
7 terms under which the fee is imposed or the amount of the fee is
8 considered an application to change rates for purposes of the
9 application of this subchapter, provided that the commission by
10 rule may modify a procedure or requirement as necessary to
11 administer this section.

12 (e) The utility shall deposit money received from an impact
13 fee into an escrow account with a financial institution approved by
14 the regulatory authority.

15 (f) Chapter 395, Local Government Code, does not apply to an
16 impact fee imposed under this section.

17 SECTION 3. This Act takes effect September 1, 2011.