

SENATE AMENDMENTS

2nd Printing

By: Oliveira

H.B. No. 2207

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the authority of the board of trustees to set rates for
3 certain municipal utility systems.

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

5 SECTION 1. Section 552.141, Local Government Code, is
6 amended to read as follows:

7 Sec. 552.141. APPLICABILITY OF SUBCHAPTER. This subchapter
8 applies only to a home-rule municipality that owns or may own a
9 water, wastewater, storm water, or drainage utility system, by
10 ordinance or charter elects to have the management and control of
11 two or more of those utility systems governed by this subchapter,
12 and:

13 (1) has outstanding obligations payable solely from
14 and secured by a lien on and pledge of the net revenue of one or more
15 of those systems; or

16 (2) issues obligations that are payable solely from
17 and secured by a lien on and pledge of the net revenue of one or more
18 of those systems.

19 SECTION 2. Section 552.142(a), Local Government Code, is
20 amended to read as follows:

21 (a) A municipality by ordinance may transfer management and
22 control of two or more of its water, wastewater, storm water, or
23 drainage systems to a board of trustees. The ordinance may grant the
24 board authority to set rates and related terms for the systems.

1 SECTION 3. This Act takes effect immediately if it receives
2 a vote of two-thirds of all the members elected to each house, as
3 provided by Section 39, Article III, Texas Constitution. If this
4 Act does not receive the vote necessary for immediate effect, this
5 Act takes effect September 1, 2011.

ADOPTED

MAY 23 2011

Atty. Gen.
Secretary of the Senate

By: Lucio

H.B. No. 2207

Substitute the following for H.B. No. 2207

By: *[Signature]*

C.S. H.B. No. 2207

A BILL TO BE ENTITLED

1

AN ACT

2

relating to the authority of the board of trustees to set rates for
3 certain municipal utility systems.

4

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

5

SECTION 1. Section 552.141, Local Government Code, is
6 amended to read as follows:

7

Sec. 552.141. APPLICABILITY OF SUBCHAPTER. This subchapter
8 applies only to a home-rule municipality that owns or may own a
9 water, wastewater, storm water, or drainage utility system, by
10 ordinance or charter elects to have the management and control of
11 two or more of those utility systems governed by this subchapter,
12 and:

13

(1) has outstanding obligations payable solely from
14 and secured by a lien on and pledge of the net revenue of one or more
15 of those systems; or

16

(2) issues obligations that are payable solely from
17 and secured by a lien on and pledge of the net revenue of one or more
18 of those systems.

19

SECTION 2. Section 552.142(a), Local Government Code, is
20 amended to read as follows:

21

(a) A municipality by ordinance may transfer management and
22 control of two or more of its water, wastewater, storm water, or
23 drainage systems to a board of trustees. A municipality by
24 ordinance may grant the board authority to set rates and related

1 terms for the systems.

2 SECTION 3. This Act takes effect immediately if it receives
3 a vote of two-thirds of all the members elected to each house, as
4 provided by Section 39, Article III, Texas Constitution. If this
5 Act does not receive the vote necessary for immediate effect, this
6 Act takes effect September 1, 2011.

ADOPTED

MAY 23 2011

Atty. Gen.
Secretary of the Senate

FLOOR AMENDMENT NO. 1

BY: 

1 Amend H.B. No. 2207 by adding the following appropriately
2 numbered SECTION to the bill and renumbering the remaining SECTIONS
3 of the bill accordingly:

4 SECTION _____. (a) Subsection (a), Section 1502.056,
5 Government Code, is amended to read as follows:

6 (a) If the revenue of a utility system, park, or swimming
7 pool secures the payment of public securities issued or obligations
8 incurred under this chapter, each expense of operation and
9 maintenance, including all salaries, labor, materials, interest,
10 repairs and extensions necessary to provide efficient service, and
11 each proper item of expense, is a first lien against that
12 revenue. For a municipality with a population of more than one
13 million but less than two million, the first lien against the
14 revenue of a municipally owned [~~electric or gas~~] utility system
15 that secures the payment of public securities issued or obligations
16 incurred under this chapter also applies to funding, as a necessary
17 operations expense, for a bill payment assistance program for
18 utility system customers who have been threatened with
19 disconnection from service for nonpayment of bills and who have
20 been determined by the municipality to be low-income customers.

21 (b) Notwithstanding any other provision of this Act, this
22 section takes effect immediately if this Act receives a vote of
23 two-thirds of all the members elected to each house, as provided by
24 Section 39, Article III, Texas Constitution. If this Act does not
25 receive the vote necessary for immediate effect, this section takes
26 effect September 1, 2011.

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 25, 2011

TO: Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: HB2207 by Oliveira (Relating to the authority of the board of trustees to set rates for certain municipal utility systems.), **As Passed 2nd House**

No fiscal implication to the State is anticipated.

The bill would amend the Local Government Code to authorize a home-rule municipality by ordinance to grant a board of trustees to set rates and related terms for a municipal utility system.

The bill would amend the Government Code to authorize a municipality with a population of one million or more but less than two million, to include funding for a bill payment assistance program for municipally owned system as a necessary operations expense for utility customers who have been threatened with disconnection from service for nonpayment of bills and who have been determined to be low-income customers.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies:

LBB Staff: JOB, KKR, SZ, TP

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 19, 2011

TO: Honorable Royce West, Chair, Senate Committee on Intergovernmental Relations

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: HB2207 by Oliveira (Relating to the authority of the board of trustees to set rates for certain municipal utility systems.), **Committee Report 2nd House, Substituted**

No fiscal implication to the State is anticipated.

The bill would amend the Local Government Code to authorize a home-rule municipality by ordinance to grant a board of trustees to set rates and related terms for a municipal utility system.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies:

LBB Staff: JOB, KKR, SZ, TP

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 13, 2011

TO: Honorable Royce West, Chair, Senate Committee on Intergovernmental Relations

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: HB2207 by Oliveira (Relating to the authority of the board of trustees to set rates for certain municipal utility systems.), **As Engrossed**

No fiscal implication to the State is anticipated.

The bill would amend the Local Government Code to authorize a home-rule municipality by ordinance to grant a board of trustees to set rates and related terms for a municipal utility system.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies:

LBB Staff: JOB, KKR, SZ, TP

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

March 25, 2011

TO: Honorable Allan Ritter, Chair, House Committee on Natural Resources

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: HB2207 by Oliveira (Relating to the authority of the board of trustees to set rates for certain municipal utility systems.), **Committee Report 1st House, Substituted**

No fiscal implication to the State is anticipated.

The bill would amend the Local Government Code to authorize a home-rule municipality by ordinance to grant a board of trustees to set rates and related terms for a municipal utility system.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies:

LBB Staff: JOB, SZ, TP

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

March 17, 2011

TO: Honorable Allan Ritter, Chair, House Committee on Natural Resources

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: HB2207 by Oliveira (Relating to the authority of the board of trustees to set rates for certain municipal utility systems.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would amend the Local Government Code to authorize a home-rule municipality by ordinance to grant a board of trustees to set rates and related terms for a municipal utility system.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies:

LBB Staff: JOB, SZ, TP