

**House Bill 2207**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

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

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

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

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

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

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

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

No equivalent provision.

SENATE VERSION (IE)

SECTION 1. Same as House version.

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

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

SECTION 3. Same as House version.

SECTION \_\_. (a) Subsection (a), Section 1502.056, Government Code, is amended to read as follows:

(a) If the revenue of a utility system, park, or swimming pool secures the payment of public securities issued or obligations

CONFERENCE

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SENATE VERSION (IE)

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

(b) Notwithstanding any other provision of this Act, this section takes effect immediately if this Act receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this section takes effect September 1, 2011. [FA1]