

By: Workman

H.B. No. 2672

A BILL TO BE ENTITLED

AN ACT

relating to the powers of a public utility agency; authorizing fees and charges; granting the power of eminent domain.

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

SECTION 1. Section 572.058(b), Local Government Code, is amended to read as follows:

(b) A public utility agency may:

(1) perform any act necessary to the full exercise of the agency's powers;

(2) enter into a contract, lease, or agreement with or accept a grant or loan from a:

(A) department or agency of the United States;

(B) department, agency, or municipality or other political subdivision of this state; or

(C) public or private corporation or person;

(3) sell, lease, convey, or otherwise dispose of any right, interest, or property the agency considers to be unnecessary for the efficient operation or maintenance of its facilities; ~~and~~

(4) acquire, for the use and benefit of the agency, land, easements, or other property by purchase or by exercising the power of eminent domain according to Section 572.0585;

(5) provide potable and nonpotable water service, sewer service, or both to the ultimate consumer for compensation;

(6) establish, charge, and collect reasonable and

1 nondiscriminatory tolls, fees, user fees, rates, and other charges  
2 for the sale or use of water, water service, water connections,  
3 wastewater service, wastewater connections, or other services  
4 sold, furnished, or supplied by the agency to retail, wholesale,  
5 industrial, and other users;

6 (7) assess and collect an impact fee under Chapter 395  
7 against new development in the area served by the agency;

8 (8) adopt and enforce a water quality protection rule,  
9 applicable to development served by the agency but located outside  
10 the jurisdiction of a municipality, for the protection,  
11 preservation, and restoration of the purity or sanitary condition  
12 of water within this state, including areas served by the agency;

13 (9) enter into a contract with a water district or a  
14 water supply corporation to receive a facility or conveyance from  
15 the district or corporation that the district or corporation  
16 received in a contract under Section 49.226(b), 51.150, or  
17 54.2351, Water Code, or Section 552.014 of this code; and

18 (10) adopt rules to govern the operation of the agency  
19 and its employees, facilities, and service.

20 SECTION 2. Subchapter C, Chapter 572, Local Government  
21 Code, is amended by adding Section 572.0585 to read as follows:

22 Sec. 572.0585. USE OF EMINENT DOMAIN. (a) A public utility  
23 agency may, with a four-fifths vote of the agency's board of  
24 directors, exercise the power of eminent domain to acquire land,  
25 easements, or other property within the area served by the agency  
26 for water or sanitary sewer purposes or for any other of its  
27 projects or purposes, and may elect to condemn either the fee simple

1 title or a lesser property interest.

2 (b) A public utility agency must exercise the power of  
3 eminent domain in the manner provided in Chapter 21, Property Code,  
4 except that the agency is not required to give bond for appeal or  
5 bond for costs in any condemnation suit or other suit to which it is  
6 a party and is not required to deposit more than the amount of any  
7 award in any suit.

8 (c) A public utility agency may not use the power of eminent  
9 domain to condemn land for the purpose of acquiring rights to  
10 groundwater or for the purpose of acquiring water or water rights.

11 SECTION 3. Section 572.059(a), Local Government Code, is  
12 amended to read as follows:

13 (a) A public utility agency may award a contract for  
14 construction of an improvement that involves the expenditure of  
15 more than \$75,000 [~~\$20,000~~] only on the basis of competitive bids.

16 SECTION 4. Section 572.061(a), Local Government Code, is  
17 amended to read as follows:

18 (a) A [~~In contracting with a public or private entity for~~  
19 ~~wastewater collection, transmission, treatment, or disposal~~  
20 ~~services or for water conservation, storage, transportation,~~  
21 ~~treatment, or distribution, a]~~ public utility agency must charge  
22 tolls, fees, user fees, rates, and other charges sufficient to  
23 produce revenue adequate to:

- 24 (1) pay all expenses of operation and maintenance;  
25 (2) pay when due the principal of and interest on  
26 obligations issued under this subchapter;  
27 (3) pay the principal of and interest on any legal debt

1 of the agency;

2 (4) pay when due all sinking and reserve fund  
3 payments; ~~and~~

4 (5) fulfill any agreements made with the holders of  
5 any obligations; and

6 (6) if a depreciation and emergency fund is  
7 established under Subsection (b), provide a sufficient amount for  
8 that fund.

9 SECTION 5. Subchapter C, Chapter 572, Local Government  
10 Code, is amended by adding Section 572.065 to read as follows:

11 Sec. 572.065. PARTICIPATING PUBLIC ENTITY CONVEYANCE TO  
12 PUBLIC UTILITY AGENCY. (a) In this section, "utility system" has  
13 the meaning assigned by Section 1502.001, Government Code.

14 (b) A participating public entity may convey a utility  
15 system, facility, or other asset or its interest in a utility  
16 system, facility, or other asset to a public utility agency without  
17 holding an election to approve the conveyance.

18 (c) Chapter 1502, Government Code, does not apply to the  
19 conveyance or sale of a utility system or any related works,  
20 improvements, facilities, equipment, or appliances or an interest  
21 in a utility system, facility, or other asset by a participating  
22 public entity to a public utility agency.

23 SECTION 6. This Act takes effect immediately if it receives  
24 a vote of two-thirds of all the members elected to each house, as  
25 provided by Section 39, Article III, Texas Constitution. If this  
26 Act does not receive the vote necessary for immediate effect, this  
27 Act takes effect September 1, 2015.