

## **BILL ANALYSIS**

Senate Research Center  
85R12385 SCL-D

S.B. 1670  
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Business & Commerce  
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As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Upkeep of historic structures that are currently being used for a public purpose is a notable goal for some local communities. Unfortunately, concerned stakeholders contend that no mechanisms or resources exist that allow communities to promote, increase, and assist in the energy or water efficiency of historic structures that continue to be used today.

S.B. 1670 addresses this concern by allowing a municipally owned utility to charge a historic structure fee in an amount not to exceed \$1 each month for the purpose of maintaining, operating and renovating the utility systems of certain historic structures if a majority of municipal voters approve the fee in an election. The bill is bracketed to apply only in the City of Brownsville.

Specifically, S.B. 1670 allows a municipal owned utility to charge a historic structure fee up to \$1 per month for maintaining, operating and renovating the utility systems of certain historic structures if a majority of municipal voters approve in a local election.

S.B. 1670 provides an opt out clause for the fee in order to allow individuals who do not want to participate in the assistance of historic structures not to be assessed the fee.

As proposed, S.B. 1670 amends current law relating to a historic structure assistance program operated by a municipally owned utility in certain municipalities, and authorizes a fee.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Chapter 552, Local Government Code, by adding Subchapter I, as follows:

#### **SUBCHAPTER I. HISTORIC STRUCTURE ASSISTANCE PROGRAM IN CERTAIN MUNICIPALITIES**

Sec. 552.151. DEFINITIONS. Defines "historic structure," "historic structure fee," "municipally owned utility," and "program."

Sec. 552.152. APPLICABILITY OF SUBCHAPTER. Provides that this subchapter applies only to certain municipalities.

Sec. 552.153. HISTORIC STRUCTURE FEE. Authorizes a municipally owned utility to charge a historic structure fee in an amount not to exceed \$1 each month for the purpose of maintaining, operating, and renovating the utility systems of certain historic structures under the historic structure assistance program if a majority of municipal voters approve the fee in an election held in accordance with this subchapter.

Sec. 552.154. FEE RESOLUTION; ELECTION ORDER. Requires the governing body of a municipality that owns the utility, if a municipally owned utility proposes a historic

structure fee, to adopt a resolution that specifies a certain amount, purpose, and date, and order an election to approve the historic structure fee.

Sec. 552.155. NOTICE OF ELECTION. (a) Requires the governing body of a municipality to provide notice of an election for the approval of a proposed historic structure fee by publishing a copy of the resolution and election order described by Section 552.154 once a week for two consecutive weeks in a newspaper with general circulation in the municipality.

(b) Requires that notice be published not earlier than the 30th day or later than the 10th day before election day.

Sec. 552.156. RESULTS OF FEE ELECTION. (a) Authorizes the municipally owned utility, if a majority of municipal voters approve a historic structure fee at an election called for that purpose, to begin charging the fee on the date specified in the resolution adopted under Section 552.154.

(b) Prohibits the municipality, if a majority of municipal voters do not approve a historic structure fee at an election called for that purpose, from holding another election on the approval of a historic structure fee before the first anniversary of the date of the election at which the voters did not approve of the fee.

Sec. 552.157. FEE OPT OUT. Authorizes a customer of the municipally owned utility, if a historic structure fee is approved under Section 552.156, to provide written notice to the utility that the customer elects to opt out of paying the fee. Prohibits the utility, on receipt of the notice, from charging that customer the fee.

Sec. 552.158. HISTORIC STRUCTURE ASSISTANCE PROGRAM. (a) Requires the municipally owned utility, if a historic structure fee is approved under Section 552.156, to establish and operate a historic structure assistance program in accordance with this section. Authorizes the utility to use the fee only for the purpose of operating the program, and prohibits the utility from using more than 10 percent of the revenue generated by the fee for the purpose of paying the program's administrative costs.

(b) Authorizes a nonprofit organization or a governmental entity to apply to the municipally owned utility to enter into an agreement under the program. Requires an applicant, to be eligible, to own a historic structure that is at least 150 years old and is located within the corporate boundaries of the municipality.

(c) Requires the municipally owned utility and the applicant, if an applicant is approved for the program, to enter into an agreement that allows the utility to provide the applicant financial assistance in accordance with the program for the purpose of promoting the public purpose of preserving historic structures by maintaining, operating, or renovating the utility systems of the structures. Requires that the agreement include provisions under which the municipally owned utility is granted sufficient control to ensure that the public purpose is accomplished and the municipality receives a return benefit.

(d) Requires the municipally owned utility, after entering into an agreement under Subsection (c), to provide financial assistance under the program to the program participant. Authorizes money provided under the program to be used only for maintaining, operating, or renovating the utility systems of the participant's historic structure described by Subsection (b). Provides that the purposes described by this subsection include increasing energy or water efficiency in the historic structure, promoting energy or water conservation in the historic structure, and assisting the participant with utility bill payments charged by the utility for the historic structure.

SECTION 2. Effective date: September 1, 2017.