

BILL ANALYSIS

Senate Research Center
86R12574 SCL-F

H.B. 4257
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Intergovernmental Relations
5/12/2019
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

It has been noted that a municipality may provide governmental services, including water or wastewater services, to areas that are annexed and those that are not. Despite recent legislative efforts requiring an election under certain conditions for annexation purposes, there have been calls to ensure that a municipal utility must continue to serve an area that it currently serves even if that area chooses not to be annexed.

H.B. 4257 seeks to address this issue by prohibiting retaliation, including retaliation in the form of higher rates, following the disapproval of a proposed municipal annexation regardless of whether the municipality holds a certificate of convenience and necessity to serve the area.

H.B. 4257 amends current law relating to retaliation for municipal annexation disapproval.

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 Section 43.0688, Local Government Code, by amending Subsection (a) and adding Subsection (c), as follows:

(a) Provides that the disapproval of the proposed annexation of an area under this subchapter (Annexation of Areas With Population of At Least 200: Tier 2 Municipalities) does not affect any existing legal obligation of the municipality proposing the annexation to continue to provide governmental services in the area, including water or wastewater services, regardless of whether the municipality holds a certificate of convenience and necessity to serve the area, rather than does not affect any existing legal obligation of the municipality proposing the annexation to continue to provide governmental services in the area, including water or wastewater services.

(c) Prohibits a municipality that makes a wholesale sale of water to a special district operating under Chapter 36 (Groundwater Conservation Districts) or Title 4 (General Law Districts), Water Code, from charging rates for the water that are higher than rates charged in other similarly situated areas solely because the district is wholly or partly located in an area that disapproved of a proposed annexation under this subchapter.

SECTION 2. Amends Section 43.0699, Local Government Code, by amending Subsection (a) and adding Subsection (c) to make conforming changes.

SECTION 3. Effective date: upon passage or September 1, 2019.