

BILL ANALYSIS

H.B. 4257
By: Craddick
Land & Resource Management
Committee Report (Unamended)

BACKGROUND AND PURPOSE

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.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 4257 amends the Local Government Code to specify that a provision establishing that the disapproval of an annexation of an area proposed by a tier 2 municipality does not affect any existing legal obligation of the municipality to continue to provide governmental services in the area, including water or wastewater services, applies regardless of whether the municipality holds a certificate of convenience and necessity to serve the area. The bill prohibits a municipality that makes a wholesale sale of water to specified special districts 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 the proposed annexation.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2019.