

BILL ANALYSIS

Senate Research Center
86R15784 BRG-F

S.B. 2322
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Water & Rural Affairs
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The State of Texas has long held that certain entities are exempt from certain taxes. To ensure that these entities are truly receiving the desired benefit, S.B. 2322 prohibits municipalities from up-charging these entities to find additional revenue.

As proposed, S.B. 2322 amends current law relating to rates established by municipalities for water and sewer services.

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 Subchapter D, Chapter 13, Water Code, by adding Section 13.0835, as follows:

Sec. 13.0835. PROHIBITION ON RATE DISCRIMINATION. Prohibits a municipality or a municipally owned utility from establishing a rate applicable only to entities that qualify for a sales tax or ad valorem tax exemption that is higher than a rate established for entities that receive comparable utility services.

SECTION 2. Effective date: September 1, 2019.