

By: Bell of Montgomery

H.B. No. 4114

Substitute the following for H.B. No. 4114:

By: Farrar

C.S.H.B. No. 4114

A BILL TO BE ENTITLED

AN ACT

relating to the provision of water and sewer services by a municipality.

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

SECTION 1. Chapter 552, Local Government Code, is amended by adding Subchapter I to read as follows:

SUBCHAPTER I. MUNICIPAL WATER AND SEWER SERVICES

Sec. 552.201. PROCUREMENT OF WATER AND SEWER SERVICES. (a)

A nonprofit entity or governmental entity located inside the service area of a municipality or municipally owned utility may contract with that municipality or utility to purchase water and wastewater service capacity or to obtain water and wastewater services.

(b) A municipality or municipally owned utility may recover capital costs from a nonprofit entity or governmental entity related to the purchase of water or wastewater service capacity by that entity or the provision of water or wastewater services to that entity.

(c) A nonprofit entity or governmental entity may construct and operate water or wastewater facilities on the entity's property for use by only that entity.

Sec. 552.202. RECOVERY OF THIRD-PARTY COSTS. Another entity may not require a municipality or municipally owned utility to impose a water or wastewater service charge to recover an amount

1 owed to the other entity.

2 Sec. 552.203. PROHIBITION ON RATE DISCRIMINATION. A  
3 municipality or municipally owned utility may not establish a rate  
4 applicable only to entities that qualify for a sales tax or ad  
5 valorem tax exemption that is:

6 (1) based solely on the tax-exempt status of the  
7 entities; and

8 (2) higher than a rate established for entities that  
9 receive comparable utility services.

10 SECTION 2. This Act takes effect September 1, 2019.