

BILL ANALYSIS

Senate Research Center

H.B. 3717
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Local Government
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

At present, if a municipal water and/or sewer system is given a notice of violation by the Texas Commission on Environmental Quality (TCEQ) and the municipality does not possess the financial or scientific wherewithal to comply with the TCEQ violation, it must hold an election to approve the sale of the system—which poses a risk to public health, can be costly, and hinders restoration times.

The expedited transfer of these threatened water and wastewater assets to capable private or public entities with the financial resources and expertise to improve management, operation, and continued maintenance of the assets could help ensure the protection, affordability, and integrity of drinking water systems.

H.B. 3717 aims to permit a municipality that has received a violation notice from TCEQ and either can not afford to fix or does not have the technical expertise to address the problem with their water or wastewater treatment facilities to expedite the sale of a municipal retail water or sewer utility system, rather than having to wait for a public election to take place.

H.B. 3717 amends current law relating to the sale of a water or sewer utility system by a municipality without an election.

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 1502.055, Government Code, by adding Subsection (d), as follows:

(d) Provides that, notwithstanding Subsection (a) (relating to prohibiting a municipality, unless authorized by a majority vote of the qualified voters of the municipality, from selling a utility system, park, or pool) or other law, a municipality is not required to hold an election to authorize the sale of a municipal retail water or sewer utility system if the Texas Commission on Environmental Quality has issued a notice of violation to the utility system and the governing body of the municipality finds by official action that the municipality is either financially or technically unable to restore the system to compliance with the applicable law or regulations.

SECTION 2. Effective date: September 1, 2021.