

## **BILL ANALYSIS**

Senate Research Center  
87R5585 BRG-F

S.B. 784  
By: Creighton  
Water, Agriculture & Rural Affairs  
4/15/2021  
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. 784 prohibits municipalities from up-charging these entities to find additional revenue.

As proposed, S.B. 784 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, 2021.