

BILL ANALYSIS

Senate Research Center
76R4179 SKT-F

H.B. 1069
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Natural Resources
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Engrossed

DIGEST

In 1985, Chapter 65 of the Texas Water Code was recodified to make any non-profit water supply corporation (WSC) providing services on or before January 1, 1985 eligible to convert to a Special Utility District (SUD), provided it met certain legal and administrative requirements. Converting to a SUD meant that a WSC was provided an alternative source of state funding for water projects in rural communities, instead of having to rely solely on low-interest loans and grants from the United States Department of Agriculture. The January 1, 1985 date was set in order to limit the number of SUDs and the amount of state bonds issued to them. During the past 14 years, only 21 WSCs have converted to SUDs, and there are currently 900 WSCs operating statewide, many of which were formed after January 1, 1985. As Texas continues to grow, there is an increased need for rural water corporations to keep up with demand for water and wastewater services. This bill eliminates the January 1, 1985 deadline from current law, allowing WSC's to convert to SUD's.

PURPOSE

As proposed, H.B. 1069 eliminates the January 1, 1985 deadline from current law, allowing water supply corporations to convert to Special Utility Districts, so as to be eligible for alternative sources of state funding for water projects in rural communities.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 65.001(10), Water Code, to define "water supply or sewer service corporation"(corporation), rather than "water supply corporation." Defines a corporation as any member-owned, member controlled, and nonprofit, rather than consumer-owned, water supply or sewer service corporation created and operating under Chapter 67. Provides that the corporation is providing services of a water supply or sewer service corporation under a certificate of convenience and necessity issued by the Texas Natural Resource Conservation Commission or a predecessor agency, rather than the Public Utility Commission of Texas. Deletes the requirement that the corporation must have supplied these services on or before January 1, 1985. Makes a conforming change.

SECTION 2. Amends Sections 65.014, 65.015, and 65.022, Water Code, to make conforming and nonsubstantive changes.

SECTION 3. Emergency clause.
Effective date: upon passage.