

## **BILL ANALYSIS**

Senate Research Center  
81R17669 HLT-F

H.B. 3435  
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Natural Resources  
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Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Municipal utility districts (MUD) have the right to charge property owners within their districts impact fees and stand-by fees, and other special districts, like management districts, have the right to charge assessments. These fees and assessments affect the electric, telecommunications, cable and natural gas utilities because a MUD or special district could place these fees and assessments on rights-of-way and equipment in a district even when the utilities do not use or benefit from the services provided by that district. For example, an electric utility that owns an easement with transmission and distribution lines running through a MUD should not be required to pay fees to the MUD for the provision of water and sewer services that it does not utilize and likely will never utilize.

As a result, the utilities jointly amend or attempt to amend each bill creating a MUD or special district bill to exempt utilities from these fees and assessments. This is a time consuming and inefficient process, however, because every session hundreds of MUD and special district bills are filed. Moreover, some bills create multiple districts and require multiple amendments. For example, in the present session H.B. 2619 alone would require more than 30 amendments.

H.B. 3435 amends current law relating to exempting certain utility property from impact fees and assessments in certain water districts.

### **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 49.212, Water Code, by adding Subsections (f), (g), (h), and (i), as follows:

(f) Prohibits a district, except as provided by Subsections (g) and (h), from imposing an impact fee, standby fee, or assessment on the property, including the equipment, rights-of-way, easements, facilities, or improvements, of an electric utility or a power generation company as defined by Section 31.002 (Definitions), Utilities Code; a gas utility as defined by Section 101.003 (Definitions) or 121.001 (Definition of Gas Utility), Utilities Code, or a person who owns pipelines used for the transportation or sale of oil or gas or a product or constituent of oil or gas; a telecommunications provider as defined by Section 51.002 (Definitions), Utilities Code; or a cable service provider or video service provider as defined by Section 66.002 (Definitions), Utilities Code.

(g) Authorizes a district to impose an impact fee, standby fee, or assessment on property described by Subsection (f) that is used as office space.

(h) Authorizes a district to impose an impact fee on property described by Subsection (f) on the same terms as the district imposes an impact fee on other property if the owner of the property requests water or sewer services for that property from the district.

(i) Provides that Subsection (f) does not affect a district's authority to impose an ad valorem tax on property in the boundaries of the district under this chapter or other law.

SECTION 2. Effective date: September 1, 2009.