

BILL ANALYSIS

Senate Research Center
86R6705 MP-D

S.B. 674
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Under current law, municipalities are able to designate municipal drainage systems as public utilities and charge fees accordingly. State law also provides that municipalities may exempt governmental entities from these fees, including the state, a county, and a "school district." These fees can cost tens of thousands of dollars annually, and sometimes more, with exemptions creating substantial cost-savings for these governmental entities, freeing those tax dollars to otherwise serve the public need.

Some municipalities interpret the "school district" exemption as excluding public, open-enrollment charter schools. This bill simply clarifies existing state law on school district exemptions, explicitly stating that public, open-enrollment charter schools are eligible for municipal drainage exemptions.

As proposed, S.B. 674 amends current law relating to authorizing an exemption for open-enrollment charter schools from certain municipal drainage requirements.

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 552.053, Local Government Code, by amending Subsection (b) and adding Subsections (b-1) and (b-2), as follows:

(b) Authorizes the following to be exempt:

(1)–(2) makes no changes to these subdivisions;

(3) makes a nonsubstantive change; or

(4) school districts and open-enrollment charter schools, rather than a school district.

(b-1) Requires the exemption, for purposes of an exemption granted under Subsection (b)(4), to be granted to both school districts and open-enrollment charter schools.

(b-2) Defines "open-enrollment charter school" for purposes of this section.

SECTION 2. Provides that an exemption granted to a school district under Section 552.053(b)(4), Local Government Code, as that section existed before the effective date of this Act, automatically extends to all open-enrollment charter schools located in the municipality after the effective date of this Act unless the municipality repeals the exemption before the effective date of this Act.

SECTION 3. Effective date: September 1, 2019.