

BILL ANALYSIS

C.S.S.B. 1670
By: Lucio
Urban Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties contend that while the upkeep of certain historic structures that provide a benefit to the community is a notable goal for certain communities, such as the City of Brownsville, there are few resources for such upkeep. C.S.S.B. 1670 seeks to address this issue by providing for a historic structure assistance program in certain municipalities.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.S.B. 1670 amends the Local Government Code to authorize a utility owned, operated, and controlled by a municipality that has a population of 135,000 to 230,000 and is located in a county that is located on the international border to charge a historic structure fee in an amount capped at \$1 each month for the purpose of maintaining, operating, and renovating the utility systems of certain historic structures under a historic structure assistance program if a majority of municipal voters approve the fee in an election held in accordance with the bill's provisions. The bill specifies that an eligible historic structure is a structure that is included on the National Register of Historic Places or that is determined by the Texas Historical Commission to qualify as eligible property under criteria for inclusion on the National Register of Historic Places or for designation as a Recorded Texas Historic Landmark or as a State Archeological Landmark. The bill requires the governing body of a municipality that owns a utility that proposes a historic structure fee to adopt a resolution that specifies the amount of the proposed historic structure fee, the purpose for which the proposed historic structure fee is charged, and the date on which the utility proposes to begin charging the proposed historic structure fee. The bill requires the governing body to order an election on the uniform election date in November to approve the historic structure fee. The bill provides for the notice of the election and the results of the election, including a provision prohibiting the municipality, if the voters did not approve the fee, from holding another such election before the first anniversary of the date of the election. The bill authorizes a customer of a utility, if a historic structure fee is approved by municipal voters, to provide written notice to the utility that the customer elects to opt out of paying the fee and prohibits the utility, on receipt of the notice, from charging that customer the fee.

C.S.S.B. 1670 requires a utility, if a historic structure fee is approved by municipal voters, to notify all utility customers of the election results, inform those customers of the opt-out process with an explanation of how the fees are to be used, and establish and operate a historic structure

assistance program. The bill restricts the utility's use of the fee to the purpose of operating the program and prohibits the utility from using more than 10 percent of the revenue generated by the fee for the purpose of paying the program's administrative costs. The bill authorizes a nonprofit organization or a governmental entity to apply to the utility to enter into an agreement under the program and requires an applicant, to be eligible, to own a historic structure that is at least 100 years old and is located within the corporate boundaries of the municipality. The bill requires a utility that receives an application to forward as soon as practicable a copy of the application to the governing body of the municipality that owns the utility and to the Texas Historical Commission and requires the governing body and the commission to jointly determine whether to approve the application.

C.S.S.B. 1670 requires a utility and an applicant that is approved for the program to enter into an agreement that allows the utility to provide the applicant financial assistance in accordance with the program for the purpose of promoting the public purpose of preserving historic structures by maintaining, operating, or renovating the utility systems of the structures. The bill requires the agreement to include provisions under which the utility is granted sufficient control to ensure that the public purpose is accomplished and the municipality receives a return benefit. The bill requires the utility, after entering into such an agreement, to provide financial assistance under the program to the program participant. The bill restricts the use of money provided under the program to the maintenance, operation, or renovation of the utility systems of the participant's historic structure and specifies that such purposes include increasing energy or water efficiency in the historic structure and promoting energy or water conservation in the historic structure.

EFFECTIVE DATE

September 1, 2017.

COMPARISON OF SENATE ENGROSSED AND SUBSTITUTE

While C.S.S.B. 1670 may differ from the engrossed in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the engrossed and committee substitute versions of the bill.

SENATE ENGROSSED

SECTION 1. Chapter 552, Local Government Code, is amended by adding Subchapter I to read as follows:

SUBCHAPTER I. HISTORIC STRUCTURE ASSISTANCE PROGRAM IN CERTAIN MUNICIPALITIES

Sec. 552.151. DEFINITIONS. In this subchapter:

(1) "Historic structure" means a structure described by:

(A) Section 442.001(3), Government Code; and

(B) Sections 442.001(3)(A) and (D), Government Code.

(2) "Historic structure fee" means a fee charged by a municipally owned utility in accordance with this subchapter for the purpose of maintaining, operating, and renovating the utility systems of certain historic structures.

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Chapter 552, Local Government Code, is amended by adding Subchapter I to read as follows:

SUBCHAPTER I. HISTORIC STRUCTURE ASSISTANCE PROGRAM IN CERTAIN MUNICIPALITIES

Sec. 552.151. DEFINITIONS. In this subchapter:

(1) "Historic structure" means a structure described by Sections 442.001(3)(A) and (D), Government Code.

(2) "Historic structure fee" means a fee charged by a municipally owned utility in accordance with this subchapter for the purpose of maintaining, operating, and renovating the utility systems of certain historic structures.

(3) "Municipally owned utility" means a utility owned, operated, and controlled by a municipality.

(4) "Program" means a historic structure assistance program established under Section 552.158.

Sec. 552.152. APPLICABILITY OF SUBCHAPTER.

Sec. 552.153. HISTORIC STRUCTURE FEE.

Sec. 552.154. FEE RESOLUTION; ELECTION ORDER.

Sec. 552.155. NOTICE OF ELECTION.

Sec. 552.156. RESULTS OF FEE ELECTION.

Sec. 552.157. FEE OPT OUT.

Sec. 552.158. HISTORIC STRUCTURE ASSISTANCE PROGRAM. (a) If a historic structure fee is approved under Section 552.156, the municipally owned utility shall notify all utility customers of the election results and inform them of the opt out process with an explanation of how the fees are to be used, and establish and operate a historic structure assistance program in accordance with this section. The utility may use the fee only for the purpose of operating the program, and the utility may not use more than 10 percent of the revenue generated by the fee for the purpose of paying the program's administrative costs.

(b) A nonprofit organization or a governmental entity may apply to the municipally owned utility to enter into an agreement under the program. To be eligible, an applicant must own a historic structure that is at least 100 years old and is located within the corporate boundaries of the municipality.

(c) A municipally owned utility that receives an application under this section as soon as practicable must forward a copy of the application to the governing body of the municipality that owns the utility and to the Texas Historical Commission. The governing body and the commission must jointly determine whether to approve the

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(b) A nonprofit organization or a governmental entity may apply to the municipally owned utility to enter into an agreement under the program. To be eligible, an applicant must own a historic structure that is at least 100 years old and is located within the corporate boundaries of the municipality.

(c) A municipally owned utility that receives an application under this section as soon as practicable must forward a copy of the application to the governing body of the municipality that owns the utility and to the Texas Historical Commission. The governing body and the commission must jointly determine whether to approve the

application.

(d) If an applicant is approved for the program, the municipally owned utility and the applicant shall enter into an agreement that allows the utility to provide the applicant financial assistance in accordance with the program for the purpose of promoting the public purpose of preserving historic structures by maintaining, operating, or renovating the utility systems of the structures. The agreement must include provisions under which the municipally owned utility is granted sufficient control to ensure that the public purpose is accomplished and the municipality receives a return benefit.

(e) After entering into an agreement under Subsection (d), the municipally owned utility shall provide financial assistance under the program to the program participant. Money provided under the program may be used only for maintaining, operating, or renovating the utility systems of the participant's historic structure described by Subsection (b). The purposes described by this subsection include:

- (1) increasing energy or water efficiency in the historic structure;
- (2) promoting energy or water conservation in the historic structure; and
- (3) assisting the participant with utility bill payments charged by the utility for the historic structure.

SECTION 2. This Act takes effect September 1, 2017.

application.

(d) If an applicant is approved for the program, the municipally owned utility and the applicant shall enter into an agreement that allows the utility to provide the applicant financial assistance in accordance with the program for the purpose of promoting the public purpose of preserving historic structures by maintaining, operating, or renovating the utility systems of the structures. The agreement must include provisions under which the municipally owned utility is granted sufficient control to ensure that the public purpose is accomplished and the municipality receives a return benefit.

(e) After entering into an agreement under Subsection (d), the municipally owned utility shall provide financial assistance under the program to the program participant. Money provided under the program may be used only for maintaining, operating, or renovating the utility systems of the participant's historic structure described by Subsection (b). The purposes described by this subsection include:

- (1) increasing energy or water efficiency in the historic structure; and
- (2) promoting energy or water conservation in the historic structure.

SECTION 2. Same as engrossed version.