

## **BILL ANALYSIS**

Senate Research Center

S.B. 262  
By: Brown  
Natural Resources  
2/24/1999  
Committee Report (Amended)

### **DIGEST**

Under current law, when a municipality with a population of less than 1.5 million annexes a water district, including a municipal utility district (MUD), the municipality must pay any amounts owed to developers who paid for installing water and wastewater systems in the district. Upon annexation, the city becomes the owner of the utility system; therefore, the city must make reimbursement payments to developers “simultaneously” with the annexation. This bill requires the annexing municipality to pay utility reimbursements to developers “prior to” the annexation of a district. In addition, the bill provides for the imposition of penalties and interest on reimbursement payments that are delinquent on the effective date of the bill.

### **PURPOSE**

As proposed, S.B. 262 reimburses landowners or developers prior to annexation of a water-related special district.

### **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 43.0715, Local Government Code, to define “delinquent sum.” Requires certain municipalities to pay certain costs and expenses incurred by the landowner or developer in cash prior to the effective date of the annexation, rather than simultaneously with the annexation. Establishes that a delinquent payment by the municipality incurs a certain penalty. Provides a higher penalty for a delinquent payment after a certain date. Provides that the delinquent payment also accrues interest at a certain rate. Makes a nonsubstantive change.

SECTION 2. Provides that the changes in law made by this Act apply to any sum that is delinquent on the effective date of this Act.

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

### **SUMMARY OF COMMITTEE CHANGES**

#### SECTION 1.

Amends Section 43.0715(b), Local Government Code, to require certain municipalities to pay certain costs and expenses incurred by the landowner or developer in cash prior to the effective date of the annexation, rather than prior to the annexation.