

BILL ANALYSIS

Senate Research Center
76R4306 SMH-D

S.B. 300
By: Truan
Border Affairs - Special
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As Filed

DIGEST

Currently, political subdivisions may divert revenues from a utility that receives assistance under the Economically Distressed Area Program (EDAP). With the diversion of revenues from the utility for other purposes, the utility operator must either overcharge for the utility service or fail to adequately fund maintenance or operations of the utility, or both. This bill authorizes political subdivisions that receive state financial assistance to use the revenue from water supply or sewer projects only for utility purposes until the financial assistance is repaid.

PURPOSE

As proposed, S.B. 300 authorizes political subdivisions that receive state financial assistance to use the revenue from water supply or sewer projects only for utility purposes until the financial assistance is repaid.

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 Chapter 16J, Water Code, by adding Section 16.352, as follows:

Sec. 16.352. USE OF REVENUE FROM WATER SUPPLY OR SEWER PROJECTS. Authorizes a political subdivision that receives financial assistance under Chapter 17K that is required to be repaid to use the revenue received from certain water supply or sewer projects only for utility purposes until the financial assistance is repaid. Authorizes the attorney general to file suit to enjoin an actual or threatened violation of this section upon the request of the Texas Water Development Board or on the attorney general's initiative.

SECTION 2. Emergency clause.
Effective date: upon passage.