

BILL ANALYSIS

Senate Research Center
79R6722 HLT-F

H.B. 2241
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Intergovernmental Relations
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Engrossed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Many municipal utility districts (MUDs) exist within the corporate limits or extraterritorial jurisdictions of municipalities. Written agreements, such as development agreements, utility agreements, and strategic partnership agreements between the MUDs and the municipalities set forth the rights and responsibilities of each party. Section 54.016(f), Water Code, provides that certain agreements, termed "allocation agreements," must include certain terms and conditions. By requiring certain terms and conditions, whether or not those terms and conditions are desirable to the parties, Section 54.016(f) limits the ability of MUDs and municipalities to contract at their full discretion. H.B. 2241 repeals this section of the Water Code. Other statutes clearly authorize MUDs and municipalities to contract, making the authority provided by Section 54.016(f) unnecessary.

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 59.006(d), Water Code, to make a conforming change.

SECTION 2. Repealer: Section 54.016(f) (pertaining to an allocation agreement between a city and a municipal utility district), Water Code.

SECTION 3. Effective date: upon passage or September 1, 2005.