BILL ANALYSIS

Senate Research Center
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C.S.S.B. 714
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Intergovernmental Relations
3/31/2011
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Drainage charges pose an undue burden on non-revenue-seeking organizations.

This bill provides that in a municipality that has a population of 1.9 million or more, certain properties are exempt from drainage charges, including a church, synagogue, or other organization or association organized primarily for religious purposes; a nonprofit organization that is exempt from federal income tax; and an entity authorized to impose a tax.

Those applicable municipalities may not collect a fee charged for the development or maintenance of programs or facilities for the control of excess water or storm water from the properties listed above.

C.S.S.B. 714 amends current law relating to the exemption of certain property from municipal drainage service charges and from related ordinances, resolutions, and rules.

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. Reenacts Section 552.053(e), Local Government Code, as added by Chapters 278 (S.B. 874) and 539 (S.B. 1522), Acts of the 81st Legislature, Regular Session, 2009, and amends it as follows:

> (e) Provides that certain property is exempt from drainage charges under Section 552.047 (Drainage Charges) and all ordinances, resolutions, and rules adopted under this subchapter, including property located in a municipality with a population of 1.9 million or more that is owned by a church, synagogue, or other organization or association organized primarily for religious purposes, a nonprofit organization that is exempt from federal taxation under Section 501(a), Internal Revenue Code of 1986, by being certified as an exempt organization under Section 501(c)(3) of that code, or an entity authorized to impose a tax.

SECTION 2. Amends Section 552.053, Local Government Code, by adding Subsection (f) to prohibit a municipality with a population of 1.9 million or more from increasing a drainage charge on nonexempt property to compensate for amounts not collected as a result of providing exemptions required by this section.

SECTION 3. Reenacts Section 580.003, Local Government Code, as redesignated by Chapter 885 (H.B. 2278), Acts of the 80th Legislature, Regular Session, 2007, and amended by Chapters 1356 (H.B. 462) and 1430 (S.B. 3), Acts of the 80th Legislature, Regular Session, 2007, and amends it as follows:

> Sec. 580.003. EXEMPTIONS OF CERTAIN PROPERTY FROM INFRASTRUCTURE FEES. (a) Makes no changes to this subsection.

(b) Authorizes a municipality with a population of 25,000 or less and through which the Bosque River runs to collect from a state agency or public institution of higher education a fee charged for the development or maintenance of programs or, rather than of, facilities for the control of excess water or storm water.

(c) Prohibits a municipality with a population of 1.9 million or more from collecting any fee charged for the development or maintenance of programs or facilities for the control of excess water or storm water from a church, synagogue, or other organization or association organized primarily for religious purposes, a nonprofit organization that is exempt from federal taxation under Section 501(a), Internal Revenue Code of 1986, by being certified as an exempt organization under Section 501(c)(3) of that code, or an entity authorized to impose a tax.

(d) Prohibits a municipality with a population of 1.9 million or more from increasing a fee on a nonexempt property to compensate for amounts not collected as a result of providing exemptions required by this section.

SECTION 4. Provides that, to the extent of any conflict, this Act prevails over another Act of the 82nd Legislature, Regular Session, 2011, relating to nonsubstantive additions to and corrections in enacted codes.

SECTION 5. Effective date: upon passage or September 1, 2011.