

BILL ANALYSIS

Senate Research Center
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C.S.H.B. 2241
By: Callegari (Lindsay)
Intergovernmental Relations
5/18/2005
Committee Report (Substituted)

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. C.S.H.B. 2241 modifies this section of the Water Code.

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 54.016(f), Water Code, to authorize a city located in a county with a population of less than 1 million in which a municipality with a population of more than 650,000 is predominately located to provide in its written consent for the inclusion of land in a district that a contract between the district and the city be entered into prior to the first issue of bonds, notes, warrants, or other obligations of the district.

SECTION 2. Effective date: upon passage or September 1, 2005.