

AN ACT

relating to municipal fees charged to public school districts for water and sewer service.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. The legislature finds that the imposition of fees for water service that are based on the number of students or employees of a public school district diverts to other purposes money appropriated in accordance with Section 1, Article VII, Texas Constitution, for the education of students. For that reason, the imposition of fees on those bases by a political subdivision violates the Texas Constitution.

SECTION 2. The heading to Section 13.044, Water Code, is amended to read as follows:

Sec. 13.044. RATES CHARGED BY MUNICIPALITY TO CERTAIN SPECIAL DISTRICTS [~~DISTRICT~~].

SECTION 3. Subchapter C, Chapter 13, Water Code, is amended by adding Section 13.0441 to read as follows:

Sec. 13.0441. FEES CHARGED BY MUNICIPALITY TO PUBLIC SCHOOL DISTRICTS. (a) This section applies only to fees charged by a municipality for water or sewer service to a public school district.

(b) Notwithstanding the provisions of a resolution, ordinance, or agreement, a public school district charged a fee that violates Section 13.088 may appeal the charge by filing a

1 petition with the utility commission. The utility commission shall
2 hear the appeal de novo, and the municipality charging the fee has
3 the burden of proof to establish that the fee complies with Section
4 13.088. The utility commission shall fix the fees to be charged by
5 the municipality in accordance with this chapter, including Section
6 13.088.

7 SECTION 4. Subchapter D, Chapter 13, Water Code, is amended
8 by adding Section 13.088 to read as follows:

9 Sec. 13.088. MUNICIPAL FEES FOR PUBLIC SCHOOL DISTRICTS. A
10 municipally owned utility that provides retail water or sewer
11 utility service to a public school district may not charge the
12 district a fee based on the number of district students or employees
13 in addition to the rates the utility charges the district for the
14 service.

15 SECTION 5. This Act takes effect immediately if it receives
16 a vote of two-thirds of all the members elected to each house, as
17 provided by Section 39, Article III, Texas Constitution. If this
18 Act does not receive the vote necessary for immediate effect, this
19 Act takes effect September 1, 2017.

President of the Senate

Speaker of the House

I certify that H.B. No. 2369 was passed by the House on May 4, 2017, by the following vote: Yeas 145, Nays 0, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 2369 was passed by the Senate on May 23, 2017, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor