

1-1 By: Lucio S.B. No. 1670  
 1-2 (In the Senate - Filed March 9, 2017; March 22, 2017, read  
 1-3 first time and referred to Committee on Business & Commerce;  
 1-4 May 5, 2017, reported adversely, with favorable Committee  
 1-5 Substitute by the following vote: Yeas 7, Nays 2; May 5, 2017,  
 1-6 sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8	X			
1-9	X			
1-10				
1-11		X		
1-12	X			
1-13	X			
1-14		X		
1-15	X			
1-16	X			
1-17	X			

1-18 COMMITTEE SUBSTITUTE FOR S.B. No. 1670 By: Campbell

1-19 A BILL TO BE ENTITLED  
 1-20 AN ACT

1-21 relating to a historic structure assistance program operated by a  
 1-22 municipally owned utility in certain municipalities; authorizing a  
 1-23 fee.

1-24 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:  
 1-25 SECTION 1. Chapter 552, Local Government Code, is amended  
 1-26 by adding Subchapter I to read as follows:

1-27 SUBCHAPTER I. HISTORIC STRUCTURE ASSISTANCE PROGRAM IN CERTAIN  
 1-28 MUNICIPALITIES

1-29 Sec. 552.151. DEFINITIONS. In this subchapter:  
 1-30 (1) "Historic structure" means a structure described

1-31 by:  
 1-32 (A) Section 442.001(3), Government Code; and  
 1-33 (B) Sections 442.001(3)(A) and (D), Government  
 1-34 Code.

1-35 (2) "Historic structure fee" means a fee charged by a  
 1-36 municipally owned utility in accordance with this subchapter for  
 1-37 the purpose of maintaining, operating, and renovating the utility  
 1-38 systems of certain historic structures.

1-39 (3) "Municipally owned utility" means a utility owned,  
 1-40 operated, and controlled by a municipality.

1-41 (4) "Program" means a historic structure assistance  
 1-42 program established under Section 552.158.

1-43 Sec. 552.152. APPLICABILITY OF SUBCHAPTER. This subchapter  
 1-44 applies only to a municipality:

1-45 (1) with a population of 135,000 to 230,000; and  
 1-46 (2) located in a county that is located on the  
 1-47 international border.

1-48 Sec. 552.153. HISTORIC STRUCTURE FEE. A municipally owned  
 1-49 utility may charge a historic structure fee in an amount not to  
 1-50 exceed \$1 each month for the purpose of maintaining, operating, and  
 1-51 renovating the utility systems of certain historic structures under  
 1-52 the historic structure assistance program if a majority of  
 1-53 municipal voters approve the fee in an election held in accordance  
 1-54 with this subchapter.

1-55 Sec. 552.154. FEE RESOLUTION; ELECTION ORDER. If a  
 1-56 municipally owned utility proposes a historic structure fee, the  
 1-57 governing body of a municipality that owns the utility shall:

1-58 (1) adopt a resolution that specifies:  
 1-59 (A) the amount of the proposed historic structure  
 1-60 fee;

2-1 (B) the purpose for which the proposed historic  
2-2 structure fee is charged; and

2-3 (C) the date on which the municipally owned  
2-4 utility proposes to begin charging the proposed historic structure  
2-5 fee; and

2-6 (2) order an election on the uniform election date in  
2-7 November authorized under Section 41.001, Election Code, to approve  
2-8 the historic structure fee.

2-9 Sec. 552.155. NOTICE OF ELECTION. (a) The governing body  
2-10 of a municipality shall provide notice of an election for the  
2-11 approval of a proposed historic structure fee by publishing a copy  
2-12 of the resolution and election order described by Section 552.154  
2-13 once a week for two consecutive weeks in a newspaper with general  
2-14 circulation in the municipality.

2-15 (b) The notice must be published not earlier than the 30th  
2-16 day or later than the 10th day before election day.

2-17 Sec. 552.156. RESULTS OF FEE ELECTION. (a) If a majority  
2-18 of municipal voters approve a historic structure fee at an election  
2-19 called for that purpose, the municipally owned utility may begin  
2-20 charging the fee on the date specified in the resolution adopted  
2-21 under Section 552.154.

2-22 (b) If a majority of municipal voters do not approve a  
2-23 historic structure fee at an election called for that purpose, the  
2-24 municipality may not hold another election on the approval of a  
2-25 historic structure fee before the first anniversary of the date of  
2-26 the election at which the voters did not approve of the fee.

2-27 Sec. 552.157. FEE OPT OUT. If a historic structure fee is  
2-28 approved under Section 552.156, a customer of the municipally owned  
2-29 utility may provide written notice to the utility that the customer  
2-30 elects to opt out of paying the fee. On receipt of the notice, the  
2-31 utility may not charge that customer the fee.

2-32 Sec. 552.158. HISTORIC STRUCTURE ASSISTANCE PROGRAM.  
2-33 (a) If a historic structure fee is approved under Section 552.156,  
2-34 the municipally owned utility shall establish and operate a  
2-35 historic structure assistance program in accordance with this  
2-36 section. The utility may use the fee only for the purpose of  
2-37 operating the program, and the utility may not use more than 10  
2-38 percent of the revenue generated by the fee for the purpose of  
2-39 paying the program's administrative costs.

2-40 (b) A nonprofit organization or a governmental entity may  
2-41 apply to the municipally owned utility to enter into an agreement  
2-42 under the program. To be eligible, an applicant must own a historic  
2-43 structure that is at least 100 years old and is located within the  
2-44 corporate boundaries of the municipality.

2-45 (c) A municipally owned utility that receives an  
2-46 application under this section as soon as practicable must forward  
2-47 a copy of the application to the governing body of the municipality  
2-48 that owns the utility and to the Texas Historical Commission. The  
2-49 governing body and the commission must jointly determine whether to  
2-50 approve the application.

2-51 (d) If an applicant is approved for the program, the  
2-52 municipally owned utility and the applicant shall enter into an  
2-53 agreement that allows the utility to provide the applicant  
2-54 financial assistance in accordance with the program for the purpose  
2-55 of promoting the public purpose of preserving historic structures  
2-56 by maintaining, operating, or renovating the utility systems of the  
2-57 structures. The agreement must include provisions under which the  
2-58 municipally owned utility is granted sufficient control to ensure  
2-59 that the public purpose is accomplished and the municipality  
2-60 receives a return benefit.

2-61 (e) After entering into an agreement under Subsection (d),  
2-62 the municipally owned utility shall provide financial assistance  
2-63 under the program to the program participant. Money provided under  
2-64 the program may be used only for maintaining, operating, or  
2-65 renovating the utility systems of the participant's historic  
2-66 structure described by Subsection (b). The purposes described by  
2-67 this subsection include:

2-68 (1) increasing energy or water efficiency in the  
2-69 historic structure;

3-1 (2) promoting energy or water conservation in the  
3-2 historic structure; and

3-3 (3) assisting the participant with utility bill  
3-4 payments charged by the utility for the historic structure.

3-5 SECTION 2. This Act takes effect September 1, 2017.

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