

BILL ANALYSIS

Senate Research Center
89R9468 ANG-F

S.B. 1243
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Local Government
3/28/2025
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

In 2011, Acton Municipal Utility District (AMUD) and Johnson County Special Utility District (JCSUD) together purchased the Surface Water Advanced Treatment System (SWATS) plant from the Brazos River Authority. In order to accomplish this two party ownership, legislation was passed in the Texas Legislature to allow for the creation of the Brazos Regional Public Utility Agency (BRPUA).

AMUD has now purchased JCSUD's interest in the plant, and is now the sole owner, giving them the capacity to provide enough water to serve their growing customer base for many years to come. Since AMUD is now the sole owner of the SWATS plant assets, the BRPUA as an entity is no longer needed, and now exists as an extra layer of government. In order to increase government efficiency and decrease administrative costs, dissolving BRPUA would integrate those operations within the AMUD organization.

In drafting the original dissolution legislation, some legal issues arose in which BRPUA cannot be dissolved because it is not a special utility district or a unit of government that is provided for in the Constitution. This legislation will allow for the dissolution of a public utility agency into a public entity, but only if the public entity is the only remaining participant in the public utility agency, allowing for better governmental efficiency.

As proposed, S.B. 1243 amends current law relating to the dissolution of a public utility agency.

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 572.053, Local Government Code, as follows:

Sec. 572.053. New heading: CHANGES IN PUBLIC ENTITIES PARTICIPATING IN OR DISSOLUTION OF PUBLIC UTILITY AGENCY. (a) Creates this subdivision from existing text. Authorizes the public entities that participate in a public utility agency by concurrent ordinances to:

- (1) add a public entity to, or delete a public entity from, participation in the public utility agency; or
 - (2) dissolve the public utility agency and transfer all obligations, assets, permits, and licenses of the public utility agency to the remaining public entities.
- (b) Authorizes a public entity that is the only remaining participant in a public utility agency by ordinance to dissolve the public utility agency in accordance with Subsection (a)(2).

SECTION 2. Effective date: September 1, 2025.