

No New Water Taxes

As reported in last quarter's newsletter, various bills had been filed during the legislative session representing different attempts to generate revenues for the state from water and sewer utility systems.

SB 1340, filed by Sen. Buster Brown (R-Lake Jackson) would have increased from \$11,000 to \$25,000 the maximum annual waste-treatment inspection fee that the Texas Natural Resource Conservation Commission (TNRCC) could charge waste discharge permittees.

In addition, Rep. Ron Lewis (D-Mauriceville) sponsored HB 1802 which would have authorized the TNRCC to assess a fee, of up to \$1.00 per connection per month, to be collected from each public water supply system in Texas.

HB 1802 also would have imposed a similar fee on industrial, irrigation and electric-power water users and holders of water rights. At one point during the debate on tax reform, HB 4, Rep. Tom Craddick's (R-Midland) major tax bill, also included a provision imposing a gross receipts tax on all revenues collected by public water and sewer systems. Then at another point when passage of HB 1802 seemed unlikely, its provisions were included in an amendment to the House version of SB 1.

Johnson, Radcliffe and Petrov is happy to report to our clients who own and operate public water and sewer systems that none of these bills became law during this legislative session.