



## **City of Houston Testimony on S.B. 674**

Senate Committee on Intergovernmental Relations

March 18, 2019

The collection of drainage fees from property owners that are served by a municipality's drainage system are one of the main sources of funding for our city's drainage infrastructure. Any restriction on these fees inhibits the maintenance and improvement of the system and increases the risk that funds will not be available for emergency repairs or expansions as needed.

Currently, §552.053 of the Texas Local Government Code exempts properties owned by a school district located wholly or partly in a municipality from the drainage provisions of §552.047 of the code. The code extends that same exemption to property owned by a county or property owned by a municipal housing authority. These exemptions were not granted because the entities do not benefit from storm water drainage projects or floodwater cleanup. Rather, the legislature carefully weighed the impact of the entity's share of the cost of maintaining the infrastructure against the greater benefit to the community of allowing the exempted entities to divert the costs of drainage fees and to invest them into county infrastructure or programs for the public good.

By adding charter schools to the list of exempt entities, the legislature would open the door to challenges to the imposition of a drainage fee from any non-profit that wished to advocate the same for their business. Although ideally no one would have to pay for public infrastructure, in reality the end users of the infrastructure must bear a portion of the burden of funding it if it is to be beneficial to all.

### ***Estimated Financial Impact***

The Texas Charter School Association reports a total of 141 open-enrollment charter schools within the City of Houston and its extra-territorial jurisdiction. Although drainage fees can vary by property type or size, if we estimate a modest drainage fee of \$100 per month per property for each of these charter schools, passage of this bill would result in the loss of \$169,200 a year in much-needed funds for our infrastructure.

### ***Conclusion***

Houston Public Works opposes S.B. 674 in its entirety and urges the legislature to reaffirm the limited exemptions to the drainage provisions of the Texas Local Government Code.

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