

LOCAL GOVERNMENT CODE

TITLE 13. WATER AND UTILITIES

SUBTITLE D. POWERS OF COUNTIES OR MUNICIPALITIES OVER UTILITIES

GENERALLY

CHAPTER 590. POWERS OF MUNICIPALITIES OVER UTILITIES

Sec. 590.0001. POWERS OF HOME-RULE MUNICIPALITIES RELATING TO UTILITIES. Except as otherwise provided by state law enacted after the Revised Statutes of 1925 (S.B. 84, Acts of the 39th Legislature, Regular Session, 1925) or by federal law:

(1) a home-rule municipality may:

(A) prohibit the use of any street, alley, highway, or grounds of the municipality by any telegraph, telephone, electric light, street railway, interurban railway, steam railway, gas company, or any other character of public utility without first obtaining the consent of the governing authorities expressed by ordinance and on paying such compensation as may be prescribed and on such condition as may be provided by any such ordinance; and

(B) determine, fix, and regulate the charges, fares, or rates of any person, firm, or corporation enjoying or that may enjoy the franchise or exercising any other public privilege in said municipality and prescribe the kind of service to be furnished by such person, firm, or corporation, and the manner in which it shall be rendered, and from time to time alter or change such rules, regulations, and compensation; provided that in adopting such regulations and in fixing or changing such compensation, or determining the reasonableness thereof, no stock or bonds authorized or issued by any corporation enjoying the franchise shall be considered unless proof that the same have been actually issued by the corporation for money paid and used for the development of the corporate property, labor done, or property actually received in accordance with the laws and constitution of this state applicable thereto;

(2) in order to ascertain all facts necessary for a proper understanding of what is or should be a reasonable rate or regulation, the governing authority shall have full power to

inspect the books and compel the attendance of witnesses for such purpose;

(3) provided that in any municipality with a population of more than 25,000, the governing body of such municipality, when the public service of such municipality may require the same, shall have the right and power to compel any street railway or other public utility corporation to extend its lines of service into any section of said municipality not to exceed two miles, all told, in any one year; and

(4) whenever any municipality may determine to acquire any public utility using and occupying its streets, alleys, and avenues as hereinbefore provided, and it shall be necessary to condemn the said public utility, the municipality may obtain funds for the purpose of acquiring the said public utility and paying the compensation therefor, by issuing bonds, notes, or other evidence of indebtedness and shall secure the same by fixing a lien on the said properties constituting the said public utility so acquired by condemnation or purchase or otherwise; said security shall apply alone to said properties so pledged; and such further regulations may be provided by any charter for the proper financing or raising the revenue necessary for obtaining any public utilities and providing for the fixing of said security.

Added by Acts 2019, 86th Leg., R.S., Ch. 467 (H.B. [4170](#)), Sec. 18.002(a), eff. September 1, 2019.