

AN ACT

relating to certificates of public convenience and necessity issued to water utilities inside the boundaries or extraterritorial jurisdiction of certain municipalities.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 13.245, Water Code, is amended by amending Subsections (b), (c-3), (c-4), and (c-5) and adding Subsection (c-6) to read as follows:

(b) Except as provided by Subsections (c), (c-1), and (c-2), the utility commission may not grant to a retail public utility a certificate of public convenience and necessity for a service area within the boundaries or extraterritorial jurisdiction of a municipality without the consent of the municipality. The municipality may not unreasonably withhold the consent. ~~[As a condition of the consent, a municipality may require that all water and sewer facilities be designed and constructed in accordance with the municipality's standards for facilities.]~~

(c-3) The utility commission must include, as a condition of a certificate of public convenience and necessity granted under Subsection (c-1) or (c-2) for a service area within the boundaries of a municipality, that all water and sewer facilities be designed and constructed in accordance with the municipality's standards for water and sewer facilities.

(c-4) The utility commission must include, as a condition of

1 a certificate of public convenience and necessity granted under
2 this section for a service area within the extraterritorial
3 jurisdiction of a municipality, that all water and sewer facilities
4 be designed and constructed in accordance with:

5 (1) the commission's standards for water and sewer
6 facilities applicable to water systems that serve greater than 250
7 connections; or

8 (2) the commission's standards for water and sewer
9 facilities applicable to water systems that serve 250 or fewer
10 connections, if the utility commission determines that:

11 (A) standards for water and sewer facilities
12 applicable to water systems that serve 250 or fewer connections are
13 appropriate for the service area; and

14 (B) regionalization of the retail public utility
15 or consolidation of the retail public utility with another retail
16 public utility is not economically feasible under Section
17 13.241(d).

18 (c-5) Subsections (c-1), (c-2), [~~and~~] (c-3), and (c-4) do
19 not apply to:

20 (1) a county that borders the United Mexican States
21 and the Gulf of Mexico or a county adjacent to such a county;

22 (2) a county with a population of more than 30,000 and
23 less than 35,000 that borders the Red River; or

24 (3) a county with a population of more than 100,000 and
25 less than 200,000 that borders a county described by Subdivision
26 (2).

27 (c-6) [~~(c-5)~~] Subsections (c-1), (c-2), [~~and~~] (c-3), and

1 (c-4) do not apply to:

2 (1) a county with a population of 130,000 or more that
3 is adjacent to a county with a population of 1.5 million or more
4 that is within 200 miles of an international border; or

5 (2) a county with a population of more than 40,000 and
6 less than 50,000 that contains a portion of the San Antonio River.

7 SECTION 2. This Act takes effect September 1, 2021.

President of the Senate

Speaker of the House

I certify that H.B. No. 3476 was passed by the House on April 29, 2021, by the following vote: Yeas 142, Nays 4, 1 present, not voting; that the House refused to concur in Senate amendments to H.B. No. 3476 on May 28, 2021, and requested the appointment of a conference committee to consider the differences between the two houses; and that the House adopted the conference committee report on H.B. No. 3476 on May 30, 2021, by the following vote: Yeas 144, Nays 0, 1 present, not voting.

Chief Clerk of the House

H.B. No. 3476

I certify that H.B. No. 3476 was passed by the Senate, with amendments, on May 21, 2021, by the following vote: Yeas 29, Nays 2; at the request of the House, the Senate appointed a conference committee to consider the differences between the two houses; and that the Senate adopted the conference committee report on H.B. No. 3476 on May 29, 2021, by the following vote: Yeas 29, Nays 2.

Secretary of the Senate

APPROVED: _____

Date

Governor