

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

May 4, 2005

TO: Honorable Robert Puente, Chair, House Committee on Natural Resources

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: HB2585 by Hilderbran (Relating to the rates of and billing cycle used by a water and sewer utility.), **Committee Report 1st House, Substituted**

No fiscal implication to the State is anticipated.

The bill would amend Chapter 13 of the Water Code to prohibit a water and sewer utility from adopting or using a billing cycle for retail service that is less than 30 days. It would also prohibit those utilities from filing a statement of intent to increase rates more than once in a three-year period, unless the regulatory authority determines that financial hardship exists. Under current statute, a water and sewer utility may file a statement of intent to raise its rates no more than once in a 12-month period. Current statute does not address the length of the billing cycle.

The bill would add that, notwithstanding any other provision of Section 13.187, Water Code, that the Texas Commission on Environmental Quality (TCEQ) is considered to have approved a rate change if the commission has not made a final determination on the rate change on or before a certain number of days after the effective date of the rate change.

The bill would take effect September 1, 2005.

The establishment of a set number of days in which a rate change would be considered approved if TCEQ has not made a final determination is not anticipated to have a fiscal impact on the agency.

Local Government Impact

Chapter 13, Water Code, does not apply to utilities owned by a municipal corporation, therefore, no fiscal implication to units of local government is anticipated.

Source Agencies:

LBB Staff: JOB, WK, JB, DLBa