

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**May 11, 2007**

**TO:** Honorable Kip Averitt, Chair, Senate Committee on Natural Resources

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

**IN RE: HB149** by Phillips (Relating to rates charged for water or sewer services by an entity that takes over a nonfunctioning water or sewer system.), **As Engrossed**

<b>No significant fiscal implication to the State is anticipated.</b>
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The bill would require the Texas Commission on Environmental Quality (TCEQ) by rule to provide a streamlined process to allow the retail public utility that takes over a nonfunctioning water or sewer utility to apply for a ruling on the reasonableness of the newly implemented rates. The bill also would require the TCEQ to establish, in consultation with the utility, a reasonable amount of time for the retail public utility to bring the water or wastewater system into compliance, and it would prohibit the TCEQ from imposing a penalty during this period for any violation that existed at the time the nonfunctioning system was taken over.

Administrative costs to the TCEQ in implementing the provisions of the bill are not expected to be significant.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 582 Commission on Environmental Quality

**LBB Staff:** JOB, WK, TL