

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 26, 2007

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

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

IN RE: HB642 by Callegari (Relating to certificates of public convenience and necessity of certain retail public utilities.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would provide that a landowner, who regularly receives and pays for service rendered by a municipality utilizing a certificate of convenience and necessity (CCN) beyond municipality's extraterritorial jurisdiction (ETJ), is considered to have consented to such service if the landowner has not objected to receiving the service in writing. The bill also would prohibit the Texas Commission on Environmental Quality (TCEQ) from granting a CCN to a retail public utility for an area outside a municipality's ETJ where: the municipality already provides service under a CCN granted prior to September 1, 2007; where the municipality is providing continuous and adequate service; and where the municipality has a binding service commitment to a platted subdivision in the area or where the municipality has another commitment to provide service in the area. In addition, the bill would reduce the number of acres that are used to determine if a landowner must received mailed, individual notice of a CCN application from 50 acres to 25.

Administrative cost to the TCEQ in implementing the provisions of the bill are expected to be absorbed within the agency's existing budget.

Local Government Impact

Local governments are expected to experience additional costs to cover additional mapping requirements, additional research information, and increased postage costs associated with documentation and notification that may be required to be submitted with an application for a CCN. These costs are not expected to be significant.

Source Agencies: 580 Water Development Board, 582 Commission on Environmental Quality

LBB Staff: JOB, WK, TL, KJG