

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

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

**April 9, 2007**

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

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

**IN RE: SB875** by Nichols (Relating to certificates of public convenience and necessity to provide water or sewer utility service.), **As Introduced**

**No significant fiscal implication to the State is anticipated.**

The bill would require applicants of Certificates of Convenience and Necessity (CCN) to provide notice to additional landowners than under current law by reducing the number of acres qualifying for notice from 50 acres to 10 acres. In addition, the bill would require that the Texas Commission on Environmental Quality (TCEQ) develop a form to be used to provide correct notice to potentially affected landowners. Affected landowners would have to consent to having their land included in the CCN service area by giving written consent to include all or part of their land. The bill would not apply to an area that is located in the extraterritorial jurisdiction of a municipality with a population of more than 500,000.

The TCEQ reports that the bill's passage would increase agency administrative and procedural requirements, thereby requiring additional resources. This estimate assumes that the cost of those additional resources would not be significant.

**Local Government Impact**

Local governments could incur additional costs for increased labor requirements and contractor assistance needed for developing additional mapping information, researching applicant information, and covering increased cost of postage needed to mail applications to the TCEQ. These costs are not expected to be significant.

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

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