

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

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**March 29, 2009**

**TO:** Honorable Allan Ritter, Chair, House Committee on Natural Resources

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

**IN RE: HB1734** by Walle (Relating to the rates charged by water and sewer utilities.), **As Introduced**

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

The bill would allow a utility to file an application with the Texas Commission on Environmental Quality (TCEQ) to increase water and/or sewer rates no more than once in a 36 month period. The rate increase requested would be capped at 20 percent of the utility's current rates.

The TCEQ reports that most utilities file rate/tariff change applications every three years or less often. Therefore, the agency does not expect that its workload would increase or decrease significantly as a result of the bill's passage.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

Local governments owning their own utilities are not required to file applications for rate increases with the TCEQ. Therefore, passage of the bill is not expected to affect local governments.

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

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