

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

April 18, 2011

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

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

IN RE: HB3668 by Callegari (Relating to certificates of public convenience and necessity for water or sewer services.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would allow the Texas Commission on Environmental Quality (TCEQ) to grant a certificate of public convenience and necessity (CCN) to a retail public utility in the boundaries or extraterritorial jurisdiction (ETJ) of a municipality, if the municipality has not entered into a binding commitment within 180 days of a formal request for service, or if the municipality has refused service at the level requested. If the CCN is granted, the TCEQ would be required to include a condition that facilities will be designed and constructed according to the municipality's standards.

The bill would specify that the TCEQ may not extend a municipality's CCN beyond its ETJ if a landowner elects to opt-out. The bill would stipulate that a CCN applicant that has land removed by landowner election may not be required to provide service to the removed land for any reason.

The bill would prohibit the TCEQ from denying an expedited release petition based on the fact that a CCN holder is a borrower under a federal loan program. The bill also would modify the petition requirements to receive an expedited release to require that the petition include approximate cost, flow, pressure and design requirements. The bill would shorten the TCEQ's review period from 90 to 60 days for expedited release petitions.

Passage of the bill is not expected to result in a significant fiscal impact to the TCEQ.

Local Government Impact

The bill would have an indeterminate fiscal impact on localities in which a certificate of public convenience and necessity is granted under the provisions of the bill.

Source Agencies: 582 Commission on Environmental Quality

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