

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

March 28, 2011

TO: Honorable Troy Fraser, Chair, Senate Committee on Natural Resources

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

IN RE: SB572 by Nichols (Relating to certificates of public convenience and necessity to provide water or sewer utility service.), **As Introduced**

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| No significant fiscal implication to the State is anticipated. |
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The bill would modify application requirements for a Certificate of Public Convenience and Necessity (CCN) or CCN amendment which utilities obtain from the Texas Commission on Environmental Quality (TCEQ) by requiring the inclusion of a list of landowners owning at least 10 acres in the proposed CCN territory. The bill would also require that such landowners receive mailed notice, and the TCEQ would be required by rule to prescribe the notice form to be mailed. The bill would require landowners to consent to the inclusion of all or part of their land in the CCN territory. The TCEQ would be required to exclude property from the proposed area if written consent was not received on or before the 120th day after notice was mailed. The consent requirements of the bill would not apply to areas within the boundaries of a municipality or its extraterritorial jurisdiction (ETJ) for municipalities of 500,000 or more. However, a landowner with property within these municipalities and their ETJ would be authorized to contest inclusion of their property at a hearing held by the TCEQ.

Any additional workload to the TCEQ resulting from the bill's passage is not expected to be significant.

Local Government Impact

Retail public water and/or sewer utilities, including utilities operated by water supply corporations, municipalities, and districts could incur costs associated with mailing additional notice to landowners and possibly in obtaining landowner consent to include their land in the proposed area. The cost would depend on the number of landowners an entity's service area.

Source Agencies: 582 Commission on Environmental Quality

LBB Staff: JOB, SZ, TL