

By: Schaefer

H.B. No. 1414

A BILL TO BE ENTITLED

AN ACT

relating to the authority of certain municipalities to provide sewer service to areas within the municipal boundaries without obtaining a certificate of public convenience and necessity.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 13.247(a), Water Code, is amended to read as follows:

(a) If an area is within the boundaries of a municipality, all retail public utilities certified or entitled to certification under this chapter to provide service or operate facilities in that area may continue and extend service in its area of public convenience and necessity within the area pursuant to the rights granted by its certificate and this chapter, unless the municipality exercises its power of eminent domain to acquire the property of the retail public utility under Subsection (d). Except as provided by Section 13.2475 or 13.255, a municipally owned or operated utility may not provide retail water and sewer utility service within the area certificated to another retail public utility without first having obtained from the commission a certificate of public convenience and necessity that includes the areas to be served.

SECTION 2. Subchapter G, Chapter 13, Water Code, is amended by adding Section 13.2475 to read as follows:

Sec. 13.2475. CERTIFICATES OF PUBLIC CONVENIENCE AND

NECESSITY TO PROVIDE SEWER SERVICE IN CERTAIN MUNICIPALITIES. (a)

This section applies only to a municipality:

(1) with a population of more than 95,000;

(2) located in a county that:

(A) borders Lake Palestine; and

(B) has a population of more than 200,000;

(3) that owns and operates a utility that provides sewer service; and

(4) that has an area within the boundaries of the municipality that is certificated to another retail public utility that provides sewer service.

(b) A municipality may provide sewer service to an area entirely within the municipality's boundaries without first having to obtain from the commission a certificate of public convenience and necessity that includes the area to be served, regardless of whether the area to be served is certificated to another retail public utility.

(c) Not less than 30 days before the municipality begins providing sewer service to an area certificated to another retail public utility, the municipality shall provide notice to the retail public utility and the commission of its intention to provide service to the area.

(d) On receipt of the notice required by Subsection (c), a retail public utility may:

(1) petition the commission to decertify its certificate for the area to be served by the municipality; or

(2) discontinue service to the area to be served by the

1 municipality.

2 (e) This section may not be construed to limit the right of a
3 retail public utility to provide service in an area certificated to
4 the retail public utility.

5 (f) This section does not expand a municipality's power of
6 eminent domain under Chapter 21, Property Code.

7 SECTION 3. As soon as practicable after the effective date
8 of this Act, the Texas Commission on Environmental Quality shall
9 adopt rules and establish procedures relating to the notice
10 required under Section 13.2475, Water Code, as added by this Act.

11 SECTION 4. This Act takes effect September 1, 2013.