By: Eltife

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S.B. No. 364

A BILL TO BE ENTITLED

AN ACT

2 relating to the authority of certain municipalities to provide 3 sewer service to areas within the municipal boundaries without 4 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, 8 9 all retail public utilities certified or entitled to certification under this chapter to provide service or operate facilities in that 10 11 area may continue and extend service in its area of public 12 convenience and necessity within the area pursuant to the rights granted by its certificate and this chapter, unless the 13 14 municipality exercises its power of eminent domain to acquire the property of the retail public utility under Subsection (d). Except 15 as provided by Section 13.2475 or 13.255, a municipally owned or 16 operated utility may not provide retail water and sewer utility 17 18 service within the area certificated to another retail public utility without first having obtained from the commission a 19 20 certificate of public convenience and necessity that includes the 21 areas to be served.

22 SECTION 2. Subchapter G, Chapter 13, Water Code, is amended 23 by adding Section 13.2475 to read as follows:

24 Sec. 13.2475. CERTIFICATES OF PUBLIC CONVENIENCE AND

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| 2 This section applies only to a municipality: 3 (1) with a population of more than 95,000; 4 (2) located in a county that: 5 (A) borders Lake Palestine; and 6 (B) has a population of more than 200,000; 7 (3) that owns and operates a utility that provides 8 sewer service; and 9 (4) that has an area within the boundaries of the 10 municipality that is certificated to another retail public utility 11 that provides sewer service. 12 (b) A municipality may provide sewer service to an area 13 entirely within the municipality's boundaries without first having 14 to obtain from the commission a certificate of public convenience 13 and necessity that includes the area to be served, regardless of 14 whether the area to be served is certificated to another retail 17 public utility. 18 (c) Not less than 30 days before the municipality begins 19 providing sewer service to an area certificated to another retail 10 public utility, the municipality shall provide notice to the retail 11 public utility and the commission of its intention to provide <t< th=""><th>1</th><th>NECESSITY TO PROVIDE SEWER SERVICE IN CERTAIN MUNICIPALITIES. (a)</th></t<> | 1 | NECESSITY TO PROVIDE SEWER SERVICE IN CERTAIN MUNICIPALITIES. (a) |
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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.

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