

1-1 By: Zaffirini S.B. No. 1612
 1-2 (In the Senate - Filed March 8, 2013; March 20, 2013, read
 1-3 first time and referred to Committee on Natural Resources;
 1-4 April 17, 2013, reported favorably by the following vote: Yeas 9,
 1-5 Nays 0; April 17, 2013, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10			X	
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15			X	
1-16	X			
1-17	X			
1-18	X			

1-19 A BILL TO BE ENTITLED
 1-20 AN ACT

1-21 relating to the authority of certain municipalities to provide
 1-22 water and sewer service to areas within the municipal boundaries
 1-23 without obtaining a certificate of public convenience and
 1-24 necessity.

1-25 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-26 SECTION 1. Subsection (a), Section 13.247, Water Code, is
 1-27 amended to read as follows:

1-28 (a) If an area is within the boundaries of a municipality,
 1-29 all retail public utilities certified or entitled to certification
 1-30 under this chapter to provide service or operate facilities in that
 1-31 area may continue and extend service in its area of public
 1-32 convenience and necessity within the area pursuant to the rights
 1-33 granted by its certificate and this chapter, unless the
 1-34 municipality exercises its power of eminent domain to acquire the
 1-35 property of the retail public utility under Subsection (d). Except
 1-36 as provided by Section 13.2476 or 13.255, a municipally owned or
 1-37 operated utility may not provide retail water and sewer utility
 1-38 service within the area certificated to another retail public
 1-39 utility without first having obtained from the commission a
 1-40 certificate of public convenience and necessity that includes the
 1-41 areas to be served.

1-42 SECTION 2. Subchapter G, Chapter 13, Water Code, is amended
 1-43 by adding Section 13.2476 to read as follows:

1-44 Sec. 13.2476. CERTIFICATES OF PUBLIC CONVENIENCE AND
 1-45 NECESSITY TO PROVIDE WATER AND SEWER SERVICE IN CERTAIN
 1-46 MUNICIPALITIES. (a) This section applies only to a municipality:

1-47 (1) with a population of less than 50,000; and
 1-48 (2) that has an area within the boundaries of the
 1-49 municipality that is certificated to an investor-owned utility that
 1-50 provides water and sewer service through 10,000 or more taps or
 1-51 connections inside and outside the municipality.

1-52 (b) A municipality may provide water and sewer service to an
 1-53 area entirely within the municipality's boundaries without first
 1-54 having to obtain from the commission a certificate of public
 1-55 convenience and necessity that includes the area to be served,
 1-56 regardless of whether the area to be served is certificated to a
 1-57 public utility.

1-58 (c) Not less than 30 days before the municipality begins
 1-59 providing water or sewer service to an area certificated to a public
 1-60 utility, the municipality shall provide notice to the utility and
 1-61 the commission of its intention to provide service to the area.

2-1 (d) On receipt of the notice required by Subsection (c), a
2-2 public utility may:

2-3 (1) petition the commission to decertify its
2-4 certificate for the area to be served by the municipality; or

2-5 (2) discontinue service to the area to be served by the
2-6 municipality.

2-7 (e) This section may not be construed to limit the right of a
2-8 public utility to provide service in an area certificated to the
2-9 utility.

2-10 (f) This section does not expand a municipality's power of
2-11 eminent domain under Chapter 21, Property Code.

2-12 SECTION 3. As soon as practicable after the effective date
2-13 of this Act, the Texas Commission on Environmental Quality shall
2-14 adopt rules and establish procedures relating to the notice
2-15 required under Section 13.2476, Water Code, as added by this Act.

2-16 SECTION 4. This Act takes effect September 1, 2013.

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