

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 15, 2013

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **SB1612** by Zaffirini (Relating to the authority of certain municipalities to provide water and sewer service to areas within the municipal boundaries without obtaining a certificate of public convenience and necessity.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would apply only to a municipality that has a population of less than 50,000 and that has an area within the boundaries of the municipality that is certificated to an investor owned utility (IOU) and provides water and sewer service through 10,000 or more taps or connections inside and outside the municipality. The bill would allow such a municipality to provide water and sewer service within its boundaries without first having to obtain a Certificate of Convenience and Necessity (CCN) from the Texas Commission on Environmental Quality (TCEQ). The municipality would be required to provide notice to the CCN holder and the TCEQ of the municipality's intent to begin serving water or sewer service in the area no less than 30 days before the municipality begins to provide the service. After receiving notice, the CCN holder could petition the TCEQ to decertify the CCN area to be served by the municipality or discontinue service to the area to be served by the municipality.

No significant fiscal impact to the TCEQ is expected as a result of the bill's passage.

Local Government Impact

Because the bill would not have statewide impact on units of local government of the same type or class, no comment from this office is required by the rules of the House/Senate as to its probable fiscal implication on units of local government.

Source Agencies: 582 Commission on Environmental Quality

LBB Staff: UP, SZ, TL, KKR