

By: Crownover

H.B. No. 3782

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the authority of certain municipalities to provide  
3 water and sewer service to areas within the municipal boundaries  
4 without obtaining a certificate of public convenience and  
5 necessity.

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

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

9 (a) If an area is within the boundaries of a municipality,  
10 all retail public utilities certified or entitled to certification  
11 under this chapter to provide service or operate facilities in that  
12 area may continue and extend service in its area of public  
13 convenience and necessity within the area pursuant to the rights  
14 granted by its certificate and this chapter, unless the  
15 municipality exercises its power of eminent domain to acquire the  
16 property of the retail public utility under Subsection (d). Except  
17 as provided by Section 13.2476 or 13.255, a municipally owned or  
18 operated utility may not provide retail water and sewer utility  
19 service within the area certificated to another retail public  
20 utility without first having obtained from the utility commission a  
21 certificate of public convenience and necessity that includes the  
22 areas to be served.

23 SECTION 2. Subchapter G, Chapter 13, Water Code, is amended  
24 by adding Section 13.2476 to read as follows:

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

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

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

15       (c) Not less than 30 days before the municipality begins  
16 providing water or sewer service to an area certificated to a public  
17 utility, the municipality shall provide notice to the utility and  
18 the utility commission of its intention to provide service to the  
19 area.

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

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

24               (2) discontinue service to the area to be served by the  
25 municipality.

26       (e) This section may not be construed to limit the right of a  
27 public utility to provide service in an area certificated to the

1 utility.

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

4 SECTION 3. As soon as practicable after the effective date  
5 of this Act, the Public Utility Commission of Texas shall adopt  
6 rules and establish procedures relating to the notice required  
7 under Section 13.2476, Water Code, as added by this Act.

8 SECTION 4. This Act takes effect September 1, 2015.