LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 8, 2015

TO: Honorable Carol Alvarado, Chair, House Committee on Urban Affairs

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB1279** by Schaefer (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.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend the Water Code to authorize certain municipalities to provide sewer service in areas of the municipal boundaries without obtaining a Certificate of Public Convenience and Necessity (CCN) from the Public Utility Commission (PUC). A municipality would be required to provide notice to a retail public utility and the PUC no later than 30 days prior to the municipality providing sewer service. In response to the notice, the retail public utility may file a petition with PUC to decertify the portion of their CCN that is being served by the municipality, or discontinue service to the area being served by the municipality. Based on the applicability criteria, the provisions of the bill would apply only to the City of Tyler.

The bill would require PUC to adopt rules and establish procedures for required notices.

According to the Public Utility Commission, the provisions of the bill would not have a significant fiscal impact on the agency and any additional workload could be accomplished using existing resources.

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: 473 Public Utility Commission of Texas, 475 Office of Public Utility Counsel, 582 Commission on Environmental Quality

LBB Staff: UP, KVe, SD, EK, TL, JLi, SZ