

1-1 By: Lucio S.B. No. 1842  
1-2 (In the Senate - Filed March 10, 2017; March 23, 2017, read  
1-3 first time and referred to Committee on Intergovernmental  
1-4 Relations; April 19, 2017, reported adversely, with favorable  
1-5 Committee Substitute by the following vote: Yeas 5, Nays 0,  
1-6 1 present not voting; April 19, 2017, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13				X
1-14	X			
1-15			X	

1-16 COMMITTEE SUBSTITUTE FOR S.B. No. 1842 By: Lucio

1-17 A BILL TO BE ENTITLED  
1-18 AN ACT

1-19 relating to an application for the amendment of a certificate of  
1-20 public convenience and necessity in an area inside the boundaries  
1-21 of a political subdivision.

1-22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-23 SECTION 1. Section 13.002, Water Code, is amended by adding  
1-24 Subdivision (13-a) to read as follows:

1-25 (13-a) "Municipal utility district" means a political  
1-26 subdivision of this state operating under Chapter 54.

1-27 SECTION 2. Subchapter G, Chapter 13, Water Code, is amended  
1-28 by adding Section 13.258 to read as follows:

1-29 Sec. 13.258. UTILITY'S APPLICATION FOR SERVICE INSIDE  
1-30 MUNICIPAL UTILITY DISTRICT UNDER CONTRACT. (a) Notwithstanding  
1-31 any other provision of this chapter, a Class A utility may apply to  
1-32 the commission to provide services inside the boundaries of a  
1-33 municipal utility district.

1-34 (b) An application under this section must be accompanied  
1-35 by:

1-36 (1) information identifying the applicant;

1-37 (2) the name of the municipal utility district;

1-38 (3) the written consent of the municipal utility  
1-39 district that holds the certificate of convenience and necessity;

1-40 (4) a written statement by the municipal utility  
1-41 district that the application is supported by a contract between

1-42 the municipal utility district and the utility for the utility to  
1-43 provide services inside the boundaries of the municipal utility  
1-44 district; and

1-45 (5) a description of the proposed service area by:

1-46 (A) a metes and bounds survey certified by a  
1-47 licensed state land surveyor or a registered professional land  
1-48 surveyor;

1-49 (B) the Texas State Plane Coordinate System;

1-50 (C) verifiable landmarks, including roads,  
1-51 creeks, or railroad lines; or

1-52 (D) if a recorded plat of the area exists, lot and  
1-53 block number.

1-54 (c) For an application under this section, the utility  
1-55 commission may not require any information other than the  
1-56 information required by this section.

1-57 (d) Not later than the 60th day after the date an applicant  
1-58 files an application under this section, the utility commission  
1-59 shall review whether the application is complete. If the utility  
1-60 commission finds that the application is complete, the utility

2-1 commission shall:  
2-2 (1) find that the application is necessary for the  
2-3 service, accommodation, convenience, or safety of the public; and  
2-4 (2) grant the application.  
2-5 (e) The utility commission's decision under this section  
2-6 becomes final after reconsideration, if any, authorized by utility  
2-7 commission rule, and may not be appealed.  
2-8 (f) The consent of a municipality is not required for the  
2-9 utility commission to grant an application as provided by  
2-10 Subsection (a) for an area that is in the municipality's  
2-11 extraterritorial jurisdiction.  
2-12 (g) Sections 13.241(d) and 13.245 do not apply to an  
2-13 application under this section.  
2-14 (h) Chapter 2001, Government Code, does not apply to an  
2-15 application for an amendment of a certificate of public convenience  
2-16 and necessity under this section.  
2-17 SECTION 3. Section 341.035(d), Health and Safety Code, is  
2-18 amended to read as follows:  
2-19 (d) A person is not required to file a business plan under  
2-20 Subsection (a)(1) or (b) if the person:  
2-21 (1) is a county;  
2-22 (2) is a retail public utility as defined by Section  
2-23 13.002, Water Code, unless that person is a utility as defined by  
2-24 that section;  
2-25 (3) has executed an agreement with a political  
2-26 subdivision to transfer the ownership and operation of the water  
2-27 supply system to the political subdivision; [~~or~~]  
2-28 (4) is a Class A utility, as defined by Section 13.002,  
2-29 Water Code, that has applied for or been granted an application to  
2-30 provide service under Section 13.258, Water Code, for the area in  
2-31 which the construction of the public drinking water supply system  
2-32 will operate; or  
2-33 (5) is a noncommunity nontransient water system and  
2-34 the person has demonstrated financial assurance under Chapter 361  
2-35 or 382 of this code or Chapter 26, Water Code.  
2-36 SECTION 4. The change in law made by this Act applies only  
2-37 to an application for an amendment of a certificate of public  
2-38 convenience and necessity filed on or after the effective date of  
2-39 this Act. An application filed before the effective date of this  
2-40 Act is governed by the law in effect on the date the application is  
2-41 filed, and the former law is continued in effect for that purpose.  
2-42 SECTION 5. This Act takes effect September 1, 2017.

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