

1-1 By: Nichols, Creighton S.B. No. 2272
1-2 (In the Senate - Filed March 8, 2019; March 21, 2019, read
1-3 first time and referred to Committee on Water & Rural Affairs;
1-4 April 17, 2019, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 7, Nays 0; April 17, 2019,
1-6 sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	<u>Perry</u>	X		
1-10	<u>Creighton</u>	X		
1-11	<u>Alvarado</u>	X		
1-12	<u>Johnson</u>	X		
1-13	<u>Kolkhorst</u>	X		
1-14	<u>Rodríguez</u>	X		
1-15	<u>Taylor</u>	X		

1-16 COMMITTEE SUBSTITUTE FOR S.B. No. 2272 By: Creighton

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

1-19 relating to the procedure for amending or revoking certificates of
1-20 public convenience and necessity issued to certain water utilities.

1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-22 SECTION 1. The heading to Section 13.254, Water Code, is
1-23 amended to read as follows:

1-24 Sec. 13.254. DECERTIFICATION INITIATED BY UTILITY
1-25 COMMISSION OR UTILITY; EXPEDITED RELEASE INITIATED BY LANDOWNER
1-26 [REVOCAION OR AMENDMENT OF CERTIFICATE].

1-27 SECTION 2. Sections 13.254(a-2) and (d), Water Code, are
1-28 amended to read as follows:

1-29 (a-2) A landowner is not entitled to file a petition under
1-30 [make the election described in] Subsection (a-1) or Section
1-31 13.2541 [(a-5)] but is entitled to contest under Subsection (a) the
1-32 involuntary certification of the landowner's [its] property in a
1-33 hearing held by the utility commission if the landowner's property
1-34 is located:

1-35 (1) in [within] the boundaries of any municipality or
1-36 the extraterritorial jurisdiction of a municipality with a
1-37 population of more than 500,000 and the municipality or retail
1-38 public utility owned by the municipality is the holder of the
1-39 certificate; or

1-40 (2) in a platted subdivision actually receiving water
1-41 or sewer service.

1-42 (d) A retail public utility may not in any way render retail
1-43 water or sewer service directly or indirectly to the public in an
1-44 area that has been decertified under this section unless just and
1-45 adequate compensation required under Subsection (g) has been paid
1-46 [without providing compensation for any property that the utility
1-47 commission determines is rendered useless or valueless] to the
1-48 decertified retail public utility [as a result of the
1-49 decertification].

1-50 SECTION 3. Subchapter G, Chapter 13, Water Code, is amended
1-51 by adding Section 13.2541 to read as follows:

1-52 Sec. 13.2541. STREAMLINED EXPEDITED RELEASE INITIATED BY
1-53 LANDOWNER. (a) Sections 13.254(a-7), (c), (d), and (h) apply to a
1-54 proceeding under this section.

1-55 SECTION 4. Sections 13.254(a-5) and (a-6), Water Code, are
1-56 transferred to Section 13.2541, Water Code, as added by this Act,
1-57 redesignated as Sections 13.2541(b), (c), (d), (e), and (f), Water
1-58 Code, and amended to read as follows:

1-59 (b) [(a-5)] As an alternative to decertification or [under
1-60 Subsection (a) and] expedited release under Section 13.254

2-1 [~~Subsection (a-1)~~], the owner of a tract of land that is at least 25
2-2 acres and that is not receiving water or sewer service may petition
2-3 for expedited release of the area from a certificate of public
2-4 convenience and necessity in the manner provided by this section
2-5 and is entitled to that release if the landowner's property is
2-6 located in a county with a population of at least one million, a
2-7 county adjacent to a county with a population of at least one
2-8 million, or a county with a population of more than 200,000 and less
2-9 than 220,000 that does not contain a public or private university
2-10 that had a total enrollment in the most recent fall semester of
2-11 40,000 or more, and not in a county that has a population of more
2-12 than 45,500 and less than 47,500.

2-13 (c) [~~(a-6)~~] The utility commission shall grant the [a]
2-14 petition [~~received under Subsection (a-5)~~] not later than the 60th
2-15 day after the date the landowner files the petition.

2-16 (d) The utility commission may not deny the [a] petition
2-17 [~~received under Subsection (a-5)~~] based on the fact that the [a]
2-18 certificate holder is a borrower under a federal loan program.

2-19 (e) The certificate holder may not initiate an application
2-20 to borrow money under a federal loan program after the date the
2-21 petition is filed until the utility commission issues a decision on
2-22 the petition.

2-23 (f) The utility commission may require an award of
2-24 compensation by the petitioner to the certificate holder in the
2-25 manner provided by Sections 13.254(f), (g), and (g-1) [~~a~~
2-26 ~~decertified retail public utility that is the subject of a petition~~
2-27 ~~filed under Subsection (a-5) as otherwise provided by this~~
2-28 ~~section~~]. The utility commission shall ensure that:

2-29 (1) the monetary amount of compensation is determined
2-30 not later than the 90th calendar day after the date the utility
2-31 commission approves the petition; and

2-32 (2) the landowner pays the compensation to the
2-33 certificate holder not later than the 90th calendar day after the
2-34 date the monetary amount of compensation is determined.

2-35 SECTION 5. The changes in law made by this Act apply only to
2-36 a proceeding affecting a certificate of public convenience and
2-37 necessity that commences on or after the effective date of this Act.
2-38 A proceeding affecting a certificate of public convenience and
2-39 necessity that commenced before the effective date of this Act is
2-40 governed by the law in effect on the date the proceeding is
2-41 commenced, and that law is continued in effect for that purpose.

2-42 SECTION 6. This Act takes effect September 1, 2019.

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