

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

March 27, 2019

TO: Honorable Charles Perry, Chair, Senate Committee on Water & Rural Affairs

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: **SB700** by Nichols (Relating to retail public utilities that provide water or sewer service.),
Committee Report 1st House, Substituted

<p>No significant fiscal implication to the State is anticipated.</p>
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The bill would amend the Water Code to create a new "Class D utility" categorization for public utilities that provide retail water or sewer utility services to less than 500 connections and re-categorize "Class C" and "Class B" services. The bill would also place certain requirements on the Public Utility Commission (PUC) on rate setting following acquisition of a non-functioning service provider and makes certain amendments regarding rate-setting by utilities. The bill would authorize the PUC to issue emergency orders to compel certain actions from retail public utilities. The bill would add new prescriptive language detailing appropriate alternative ratemaking methodologies.

The bill would take effect September 1, 2019.

The PUC anticipates that this bill would have no significant fiscal impact and that the provisions of the bill could be implemented using existing resources.

Local Government Impact

According to the PUC, no local impact resulting from this bill is anticipated.

According to the Texas Association of Counties, no fiscal impact to counties is anticipated.

Source Agencies: 473 Public Utility Commission of Texas

LBB Staff: WP, SZ, MB, SD, GP, PM