

## **BILL ANALYSIS**

Senate Research Center  
87R4520 BRG-F

H.B. 3476  
By: Schofield (Bettencourt)  
Water, Agriculture & Rural Affairs  
5/17/2021  
Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

A municipality may require that all water and sewer facilities for a service area within the extraterritorial jurisdiction of the municipality use the municipality's standards for design and construction in accordance with the municipality's standards for facilities rather than in accordance with the more appropriate Public Utility Commission of Texas (PUC) standards. It has been suggested that, as a result, a retail public utility design and construction process in areas within the extraterritorial jurisdiction of a municipality, specifically fast-growing areas, can get delayed for long periods of time. H.B. 3476 seeks to address this issue by amending the Water Code to require the PUC to include, as a condition of a certificate of public convenience and necessity for a service area within the extraterritorial jurisdiction of certain municipalities, that all water and sewer facilities be designed and constructed in accordance with Texas Commission on Environmental Quality standards for those facilities.

H.B. 3476 amends current law relating to certificates of public convenience and necessity issued to water utilities inside the boundaries or extraterritorial jurisdiction of certain municipalities.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 13.245, Water Code, by amending Subsections (b), (c-3), (c-4), and (c-5) and adding Subsections (b-1) and (c-6), as follows:

(b) Makes no changes to this subsection.

(b-1) Authorizes a municipality to require, as a condition of consent under Subsection (b) for a certificate for a service area within the boundaries of the municipality, that all water and sewer facilities be designed and constructed in accordance with the municipality's standards for facilities. Prohibits a municipality from requiring, as a condition of consent under Subsection (b) for a certificate for a service area within the extraterritorial jurisdiction of the municipality, that all water and sewer facilities be designed and constructed in accordance with the municipality's standards for facilities. Makes conforming and nonsubstantive changes.

(c-3) Requires the Public Utility Commission of Texas (PUC) to include, as a condition of a certificate of public convenience and necessity granted under Subsection (c-1) or (c-2) for a service area within the boundaries of a municipality, that all water and sewer facilities be designed and constructed in accordance with the municipality's standards for water and sewer facilities.

(c-4) Requires the PUC to include, as a condition of a certificate of public convenience and necessity granted under this section for a service area within the extraterritorial jurisdiction of a municipality, that all water and sewer facilities be designed and constructed in accordance with the Texas Commission on Environmental Quality standards for water and sewer facilities.

(c-5) Creates this subsection from existing text and makes no further changes.

(c-6) Creates this subsection from existing text and makes no further changes.

SECTION 2. Effective date: September 1, 2021.