By:  Schofield H.B. No. 3476

     (Senate Sponsor - Bettencourt, Campbell)

(In the Senate - Received from the House May 3, 2021; May 10, 2021, read first time and referred to Committee on Water, Agriculture & Rural Affairs; May 20, 2021, reported adversely, with favorable Committee Substitute by the following vote: Yeas 8, Nays 1; May 20, 2021, sent to printer.)

COMMITTEE VOTE

               Yea Nay Absent  PNV

Perry           X

Springer        X

Creighton       X

Eckhardt            X

Gutierrez       X

Johnson         X

Kolkhorst       X

Powell          X

Taylor          X

COMMITTEE SUBSTITUTE FOR H.B. No. 3476 By:  Perry

A BILL TO BE ENTITLED

AN ACT

relating to certificates of public convenience and necessity issued to water utilities inside the boundaries or extraterritorial jurisdiction of certain municipalities.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

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

(b)  Except as provided by Subsections (c), (c-1), and (c-2), the utility commission may not grant to a retail public utility a certificate of public convenience and necessity for a service area within the boundaries or extraterritorial jurisdiction of a municipality without the consent of the municipality. The municipality may not unreasonably withhold the consent. [~~As a condition of the consent, a municipality may require that all water and sewer facilities be designed and constructed in accordance with the municipality's standards for facilities.~~]

(c-3)  The utility commission must 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)  The utility commission must 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:

(1)  the commission's standards for water and sewer facilities applicable to water systems that serve greater than 250 connections; or

(2)  the commission's standards for water and sewer facilities applicable to water systems that serve 250 or fewer connections, if the utility commission determines that:

(A)  standards for water and sewer facilities applicable to water systems that serve 250 or fewer connections are appropriate for the service area; and

(B)  regionalization of the retail public utility or consolidation of the retail public utility with another retail public utility is not economically feasible under Section 13.241(d).

(c-5)  Subsections (c-1), (c-2), [~~and~~] (c-3), and (c-4) do not apply to:

(1)  a county that borders the United Mexican States and the Gulf of Mexico or a county adjacent to such a county;

(2)  a county with a population of more than 30,000 and less than 35,000 that borders the Red River; or

(3)  a county with a population of more than 100,000 and less than 200,000 that borders a county described by Subdivision (2).

(c-6) [~~(c-5)~~]  Subsections (c-1), (c-2), [~~and~~] (c-3), and (c-4) do not apply to:

(1)  a county with a population of 130,000 or more that is adjacent to a county with a population of 1.5 million or more that is within 200 miles of an international border; or

(2)  a county with a population of more than 40,000 and less than 50,000 that contains a portion of the San Antonio River.

SECTION 2.  This Act takes effect September 1, 2021.

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