87R13156 JXC-D

By:  Lucio III H.B. No. 3650

A BILL TO BE ENTITLED

AN ACT

relating to the transfer of functions relating to the economic regulation of water and sewer service from the Public Utility Commission of Texas to the Texas Commission on Environmental Quality.

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

SECTION 1.  (a) Notwithstanding any other law, on September 1, 2022, the following are transferred from the Public Utility Commission of Texas to the Texas Commission on Environmental Quality:

(1)  the powers, duties, functions, programs, and activities of the Public Utility Commission of Texas relating to the economic regulation of water and sewer service, including the issuance and transfer of certificates of convenience and necessity, the determination of rates, and the administration of hearings and proceedings involving those matters, under Chapters 11, 12, and 13, Water Code;

(2)  any obligations and contracts of the Public Utility Commission of Texas that are directly related to implementing a power, duty, function, program, or activity transferred under this Act; and

(3)  all property and records in the custody of the Public Utility Commission of Texas that are related to a power, duty, function, program, or activity transferred under this Act and all funds appropriated by the legislature for that power, duty, function, program, or activity.

(b)  The Texas Commission on Environmental Quality and the Public Utility Commission of Texas shall enter into a memorandum of understanding that:

(1)  identifies in detail the applicable powers and duties that are transferred by this Act;

(2)  establishes a plan for the identification and transfer of the records, personnel, property, and unspent appropriations of the Public Utility Commission of Texas that are used for purposes of the commission's powers and duties directly related to the economic regulation of water and sewer service under Chapters 11, 12, and 13, Water Code; and

(3)  establishes a plan for the transfer of all pending applications, hearings, rulemaking proceedings, and orders relating to the economic regulation of water and sewer service under Chapters 11, 12, and 13, Water Code, from the Public Utility Commission of Texas to the Texas Commission on Environmental Quality.

(c)  The memorandum of understanding under this section is not required to be adopted by rule under Section 5.104, Water Code.

(d)  The executive directors of the Texas Commission on Environmental Quality and the Public Utility Commission of Texas may agree in the memorandum of understanding under this section to transfer to the Texas Commission on Environmental Quality any personnel of the Public Utility Commission of Texas whose functions predominantly involve powers, duties, obligations, functions, and activities related to the economic regulation of water and sewer service under Chapters 11, 12, and 13, Water Code.

(e)  The Texas Commission on Environmental Quality and the Public Utility Commission of Texas shall periodically update the Office of Public Utility Counsel on the anticipated contents of the memorandum of understanding under this section during the development of the memorandum.

(f)  The Texas Commission on Environmental Quality and the Public Utility Commission of Texas shall appoint a transition team to accomplish the purposes of this section. The transition team may consult with the Office of Public Utility Counsel to accomplish the purposes of this section.

(g)  A rule, form, policy, procedure, or decision of the Public Utility Commission of Texas related to a power, duty, function, program, or activity transferred under this Act continues in effect as a rule, form, policy, procedure, or decision of the Texas Commission on Environmental Quality and remains in effect until amended or replaced by that agency.

(h)  The memorandum required by this section must be completed by August 1, 2022.

(i)  The Public Utility Commission of Texas and the Texas Commission on Environmental Quality shall adopt rules to implement the transfer of powers, duties, functions, programs, and activities as described by this Act not later than September 1, 2023.

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