

By: Nichols, et al.  
(Harris)

S.B. No. 1413

A BILL TO BE ENTITLED

AN ACT

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

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

SECTION 1. Section 13.2541, Water Code, is amended by amending Subsections (b), (b-1), (e), and (f) and adding Subsections (b-2), (b-3), and (e-1) to read as follows:

(b) As an alternative to decertification or expedited release under Section 13.254, the owner of a tract of land that is at least 25 acres and that is not receiving water or sewer service may petition for expedited release of the area from a certificate of public convenience and necessity in the manner provided by this section and is entitled to that release.

(b-1) This section applies only if the landowner's property is located in:

(1) a county with a population of at least 1.2 million;

(2) [7] a county adjacent to a county with a population of at least 1.2 million;

(3) [7-or] a county with a population of more than 200,000 and less than 233,500 that does not contain a public or private university that had a total enrollment in the most recent fall semester of 40,000 or more; or

(4) a county adjacent to a county described by Subdivision (2) [7, and not in a county that has a population of more

1 ~~than 50,500 and less than 52,000~~].

2       (b-2) This subsection applies only to a petition for a tract  
3 of land located in a county described by Subsection (b-1)(4). The  
4 petitioner shall provide written notice, by certified mail and  
5 regular mail, to the certificate holder of the petitioner's intent  
6 to petition the utility commission for expedited release of an area  
7 from a certificate of public convenience and necessity under this  
8 section not later than the 60th day before the date on which the  
9 petitioner submits the petition to the utility commission. The  
10 notice must include contact information for the property owner  
11 whose tract or tracts are the subject of the petition. The  
12 certificate holder may waive the notice required by this  
13 subsection.

14       (b-3) [(b-1)] On the day a petitioner submits a petition to  
15 the utility commission under this section, the petitioner shall  
16 send, via certified mail, a copy of the petition to the certificate  
17 holder, who may submit information to the utility commission to  
18 controvert information submitted by the petitioner.

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

24       (e-1) A landowner that submits a petition under this section  
25 may agree to pay to the certificate holder that is the subject of  
26 the petition under this section an amount equal to the amount  
27 necessary to pay or defease a federal loan for a certificate holder

that is a borrower under a federal loan program. On request from the petitioner, the certificate holder must provide the petitioner with the amount necessary to pay or defease the federal loan. The utility commission may issue an order to require the certificate holder to accept a loan payment or defeasance under this section.

(f) If the utility commission determines that compensation to the certificate holder is owed under this section and Section 13.254(g), the [The] utility commission shall [may] require an award of compensation to be paid by the petitioner to the certificate holder [in the manner provided by this section]. If the utility commission requires an award of compensation, the utility commission shall require the petitioner to submit a report to the utility commission verifying for the purposes of Subsection (j) that the compensation has been paid to the certificate holder.

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

SECTION 3. This Act takes effect September 1, 2025.