

BILL ANALYSIS

C.S.S.B. 2272
By: Nichols
Natural Resources
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Concerns have been raised regarding the use of a certain procedure for the expedited release of certain areas from a certificate of public convenience and necessity. C.S.S.B. 2272 seeks to address these concerns by setting out provisions relating to the procedure for amending or revoking certificates of public convenience and necessity issued to certain water utilities.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.S.B. 2272 amends the Water Code with respect to the procedure for the owner of a tract of land that is at least 25 acres and that is not receiving water or sewer service to petition for expedited release of the area from a certificate of public convenience and necessity to which the landowner is entitled if the landowner's property:

- is located in a county:
 - with a population of at least one million;
 - adjacent to a county with a population of at least one million; or
 - with a population of more than 200,000 and less than 220,000 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; and
- is not located in a county that has a population of more than 45,500 and less than 47,500.

C.S.S.B. 2272 prohibits the certificate holder from initiating an application to borrow money under a federal loan program after the date the petition is filed until the Public Utility Commission of Texas (PUC) issues a decision on the petition. The bill revises the manner by which the PUC may require an award of compensation by the petitioner to the certificate holder. The bill requires the monetary amount of compensation, if any, to be determined by a qualified individual or firm serving as an independent appraiser agreed upon by the certificate holder and the petitioner, makes the compensation determination binding on the PUC, and requires the costs of the independent appraiser to be borne by the petitioner. The bill provides for the application of certain related provisions to such a determination.

C.S.S.B. 2272 requires a petitioner and certificate holder who cannot agree on an independent appraiser within 10 calendar days after the date on which the PUC approves the petition to each

engage its own appraiser at its own expense and requires each appraisal to be submitted to the PUC within 70 calendar days after that approval date. The bill provides for the PUC appointment of a third appraiser to make the determination of compensation after receiving the separate appraisals and requires the petitioner and certificate holder to split the cost of the third appraisal. The bill requires the PUC to ensure that the monetary amount of compensation by the petitioner to the certificate holder is determined not later than the 60th day after the date the PUC receives the final appraisal and that the landowner pays the compensation to the certificate holder not later than the 90th calendar day after the date the monetary amount of compensation is determined.

EFFECTIVE DATE

September 1, 2019.

COMPARISON OF SENATE ENGROSSED AND SUBSTITUTE

C.S.S.B. 2272 differs from the engrossed in minor or nonsubstantive ways to make technical corrections.