

**SUBJECT:** Allowing a municipal utility to use penalty fees to improve its facilities

**COMMITTEE:** Natural Resources — favorable, without amendment

**VOTE:** 7 ayes — Puente, Hope, Bonnen, Geren, Hardcastle, Hilderbran, Laney  
0 nays  
2 absent — Callegari, Campbell

**WITNESSES:** None

**BACKGROUND:** Water Code, ch. 7 authorizes the Texas Commission on Environmental Quality (TCEQ) to enforce provisions of state law that fall under its jurisdiction, including water quality standards. Under subch. C, TCEQ can assess an administrative penalty against a person who violates a law or commission rule or permit.

**DIGEST:** In lieu of ordering payment of an administrative penalty for a deficiency in the facilities of a municipally owned utility, HB 2133 would authorize TCEQ to allow such a utility to use any portion of a penalty to ameliorate the violation or improve its facilities.

The bill would take effect September 1, 2005, and would apply only to a violation that occurred on or after that date.