

## **BILL ANALYSIS**

Senate Research Center  
80R15269 JTS-F

H.B. 147  
By: Phillips (Seliger)  
Natural Resources  
5/14/2007  
Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Chapter 7, Water Code, authorizes the Texas Commission on Environmental Quality (TCEQ) to levy an administrative penalty against municipally owned utilities for deficiencies in the municipality's utility facilities. There are many small municipalities that have aging utility systems that have very limited budgets, and the amount which they receive from penalties could be more effectively utilized to ameliorate the violation for which the penalty was imposed.

H.B. 147 requires that TCEQ allow a municipally owned utility, a water supply or sewer service corporation, or a district to defer the payment of all or part of an administrative penalty imposed for a violation on the condition that the entity complies with all provision for corrective action in a TCEQ order to address the violation.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to any state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

[While the statutory reference in this bill is to the Texas Natural Resource Conservation Commission (TNRCC), the following amendments affect the Texas Commission on Environmental Quality, as the successor agency to TNRCC.]

SECTION 1. Amends Subchapter B, Chapter 7, Water Code, by adding Section 7.034, as follows:

Sec. 7.034. DEFERRAL OF PENALTY FOR CERTAIN UTILITY FACILITIES. (a) Defines "district" and "municipally owned utility."

(b) Requires the Texas Natural Resource Conservation Commission (TNRCC) to allow a municipally owned utility, a water supply or sewer service corporation, or a district to defer the payment of all or part of an administrative penalty imposed under Subchapter C (Administrative Penalties) for a violation on the condition that the entity complies with all provision for corrective action in a TNRCC order to address the violation.

(c) Requires TNRCC, in determining whether deferral of a penalty under this section is appropriate, to consider the factors to be considered under Section 7.053 (Factors to be Considered in Determination of Penalty Amount) and certain other factors.

(d) Provides that at the discretion of TNRCC, any penalty deferred under this section becomes due and payable on a TNRCC determination that the entity is not in compliance with a provision for corrective action in a TNRCC order to address the violation.

SECTION 2. Makes application of Section 7.034, Water Code, as added by this Act, prospective.

SECTION 3. Effective date: September 1, 2007.