

## **BILL ANALYSIS**

Senate Research Center  
82R20583 JXC-D

C.S.S.B. 573  
By: Nichols et al.  
Natural Resources  
4/14/2011  
Committee Report (Substituted)

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

Chapter 13 (Water Rates and Services), Water Code, provides that a landowner may petition the Texas Commission on Environmental Quality to be released from a certificate of convenience and necessity (CCN) if the CCN holder is not providing service. The process to be released from a CCN is cumbersome and costly for both the CCN holder and landowner.

C.S.S.B. 573 amends current law relating to certificates of public convenience and necessity for water or sewer services.

### **RULEMAKING AUTHORITY**

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

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 13.254, Water Code, by amending Subsections (a) and (a-2) and adding Subsections (a-5) and (a-6), as follows:

(a) Authorizes the Texas Commission on Environmental Quality (TCEQ), at any time after notice and hearing, rather than at any time after notice and hearing on its own motion or on receipt of a petition described by Subsection (a-1), to revoke or amend any certificate of public convenience and necessity with the written consent of the certificate holder or if it makes certain findings.

(a-2) Provides that a landowner is not entitled to make the election described in Subsection (a-1) or (a-5), but is entitled to contest under Subsection (a) the involuntary certification of its property in a hearing held by TCEQ, if the landowner's property is located:

(1) within the boundaries of any municipality or the extraterritorial jurisdiction of a municipality with a population of more than 500,000 and the municipality or retail public utility owned by the municipality is the holder of the certificate; or

(2) in a platted subdivision actually receiving water or sewer service.

(a-5) Authorizes an owner of a tract of land that is at least 25 acres and that is not receiving water or sewer service, as an alternative to decertification under Subsection (a) and expedited release under Subsection (a-1), to petition for expedited release of the area from a certificate of public convenience and necessity and is entitled to that release if the landowner's property is located in a county with a population of at least one million, a county adjacent to a county with a population of at least one million, or a county with a population of more than 200,000 and less than 220,000.

(a-6) Requires TCEQ to grant a petition received under Subsection (a-5) not later than the 60th day after the date the landowner files the petition. Prohibits TCEQ from denying a petition received under Subsection (a-5) based on the fact that a certificate holder is a borrower under a federal loan program. Authorizes TCEQ to require an award of

compensation to a decertified retail public utility that is the subject of a petition filed under Subsection (a-5) as otherwise provided by this section.

SECTION 2. Effective date: September 1, 2011.