

## **BILL ANALYSIS**

S.B. 789  
By: Eltife  
Urban Affairs  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Interested parties have expressed concerns over certain municipalities, such as the City of Tyler, annexing areas for which sewer service is provided by a lone certificated provider that results in the residents of the area paying taxes to the city but having no choice in regards to purchasing sewer service from the city. The parties cite the City of Tyler example as a case in which the city is willing to provide the services but unable to obtain dual certification to serve the area within the city. S.B. 789 seeks to address this issue.

### **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**

S.B. 789 amends the Water Code to authorize certain municipalities to provide sewer service to an area entirely within the municipality's boundaries without first having to obtain from the Texas Commission on Environmental Quality (TCEQ) a certificate of public convenience and necessity that includes the area to be served, regardless of whether the area to be served is certificated to another retail public utility. The bill limits the applicability of its provisions to a municipality with a population of more than 95,000, that owns and operates a utility that provides sewer service, that has an area within the boundaries of the municipality that is certificated to another retail public utility that provides sewer service, and that is located in a county that borders Lake Palestine and has a population of more than 200,000.

S.B. 789 requires the municipality, not less than 30 days before beginning to provide sewer service to an area certificated to another retail public utility, to provide notice to the retail public utility and TCEQ of its intention to provide service to the area. The bill authorizes a retail public utility, on receipt of the notice, to petition TCEQ to decertify its certificate for the area to be served by the municipality or to discontinue service to the area to be served by the municipality, provided there is no interruption of service to any customer.

S.B. 789 establishes that its provisions may not be construed to limit the right of a retail public utility to provide service in an area certificated to the retail public utility and do not expand a municipality's power of eminent domain. The bill requires TCEQ, as soon as practicable after the bill's effective date, to adopt rules and establish procedures relating to the notice required by the bill's provisions.

**EFFECTIVE DATE**

September 1, 2015.