

- SUBJECT:** Amending exemptions from notification requirements within CCN areas
- COMMITTEE:** Natural Resources — favorable, without amendment
- VOTE:** 7 ayes — Ritter, Callegari, Corte, Frost, T. King, Laubenberg, D. Miller  
0 nays  
4 absent — Creighton, Lucio, Martinez Fischer, Smithee
- WITNESSES:** For — Toni Lawrence, City of Houston  
Against — None
- BACKGROUND:** Water Code, ch. 13, subch. G governs certificates of convenience and necessity (CCNs) for water and sewer service providers. Sec. 13.242 prohibits a water utility or supplier from rendering service to the public without first obtaining from the Texas Commission on Environmental Quality (TCEQ) a certificate that public convenience and necessity will require that service. A retail public utility cannot serve any area to which service is being provided by another utility without first having obtained a CCN.
- Water Code, sec. 13.257 requires that a person selling property located in a certificated service area of a retail public utility give written notice to the purchaser that the property may be located within a CCN area that is authorized by law to provide water or sewer service to the properties in the certificated area. Under Water Code, sec. 13.257(c)(5), the transfer of title to property located within the corporate limits of a municipality is exempted from the written notice requirements.
- DIGEST:** HB 4043 would amend Water Code, sec. 13.257(c)(5) to exempt from written notice requirements a transfer of title to property located within a municipality only if the municipality was served by a municipally owned utility.

HB 4043  
House Research Organization  
page 2

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2009, and would only apply to a proposal to sell or convey real property made on or after the effective date.