

By: Geren

H.B. No. 1160

A BILL TO BE ENTITLED

AN ACT

relating to the transfer of a certificate of convenience and necessity in certain municipalities.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter B, Chapter 552, Local Government Code, is amended by adding Section 552.024 to read as follows:

Sec. 552.024. TRANSFER OF CERTIFICATE OF CONVENIENCE AND NECESSITY IN CERTAIN MUNICIPALITIES. (a) This section applies to a municipality that:

(1) has a population of not more than 2,500;

(2) is located in a county that:

(A) has a population of 1.7 million or more; and

(B) has two municipalities with a population of 300,000 or more; and

(3) is served by a public utility that:

(A) provides service to the entire municipality;

and

(B) charges rates for 5,000 gallons of water for residential customers that are at least 50 percent higher than the rates charged by a municipally owned utility that serves another part of the county in which the municipality is located.

(b) Notwithstanding any other law, on application by a municipality described by Subsection (a), the agency with authority over certificates of convenience and necessity for water and sewer

1 service shall transfer a certificate of convenience and necessity
2 for water and sewer service from a public utility to the
3 municipality for the public utility's service area located in the
4 municipality's corporate limits, if the municipality:

5 (1) is willing to provide continuous and adequate
6 water and sewer service to the area; and

7 (2) has instituted a condemnation proceeding under
8 Chapter 21, Property Code, to acquire the property of the public
9 utility's water and sewer system in the municipality's corporate
10 limits.

11 (c) The transfer is effective on the date the court in which
12 the condemnation proceeding is pending issues an order that:

13 (1) transfers the property of the public utility to
14 the municipality; and

15 (2) requires the municipality to ensure continuous and
16 adequate water and sewer service to the citizens of the
17 municipality.

18 SECTION 2. The changes in law made by this Act apply only to
19 a condemnation proceeding in which the petition is filed on or after
20 September 1, 2011. A condemnation proceeding in which the petition
21 is filed before September 1, 2011, is governed by the law in effect
22 on the date the petition was filed, and that law is continued in
23 effect for that purpose.

24 SECTION 3. This Act takes effect immediately if it receives
25 a vote of two-thirds of all the members elected to each house, as
26 provided by Section 39, Article III, Texas Constitution. If this
27 Act does not receive the vote necessary for immediate effect, this

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1 Act takes effect September 1, 2013.