

By: Larson

H.B. No. 3079

Substitute the following for H.B. No. 3079:

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C.S.H.B. No. 3079

A BILL TO BE ENTITLED

AN ACT

1
2 relating to procedural requirements for the review of a contractual
3 rate charged for the furnishing of raw or treated water or water or
4 sewer service.

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

6 SECTION 1. Section 12.013, Water Code, is amended by adding
7 Subsections (g), (h), (i), (j), (k), and (l) to read as follows:

8 (g) In a proceeding under this section or Chapter 11 to
9 review a rate charged under a written contract, the utility
10 commission may not hold a hearing on or otherwise prescribe just and
11 reasonable amounts to be charged under the contract unless the
12 utility commission determines that the amount charged under the
13 contract harms the public interest. A determination under this
14 subsection becomes final for purposes of appeal in the manner
15 provided by Section 2001.144, Government Code.

16 (h) A party adversely affected by a determination under
17 Subsection (g) may seek judicial review of the determination.
18 Judicial review of a determination under Subsection (g) shall be by
19 trial de novo.

20 (i) The utility commission shall abate proceedings on the
21 contract in the event of an appeal under Subsection (h) until the
22 entry of a final judicial determination that a rate charged under
23 the contract harms the public interest.

24 (j) Chapter 2001, Government Code, applies to an appeal

1 under Subsection (h).

2 (k) The utility commission shall, before holding a hearing
3 on or otherwise prescribing a just and reasonable rate to be charged
4 under the contract, allow the contracting parties to amend the
5 amount charged under the contract until at least 60 days after the
6 date:

7 (1) of a final judicial determination in an appeal
8 under Subsection (h) that a rate charged under the contract harms
9 the public interest; or

10 (2) the determination made under Subsection (g) became
11 final if a motion for rehearing was not filed on time.

12 (1) If the parties amend their contract under Subsection
13 (k), none of the parties may challenge before the utility
14 commission the rate paid under the amended contract before:

15 (1) the fifth anniversary of the date of the contract
16 amendment; or

17 (2) a date agreed to by the parties that is after the
18 fifth anniversary of the date of the contract amendment.

19 SECTION 2. Subchapter C, Chapter 13, Water Code, is amended
20 by adding Section 13.0431 to read as follows:

21 Sec. 13.0431. APPEALS BY RETAIL PUBLIC UTILITIES. (a) In
22 an appeal under Section 13.043(f) on the amount paid for water or
23 sewer service under a written contract, the utility commission may
24 not hold a hearing on or otherwise prescribe just and reasonable
25 amounts to be charged under the contract unless the utility
26 commission determines that the amount charged under the contract
27 harms the public interest. A determination under this subsection

1 becomes final for purposes of appeal in the manner provided by
2 Section 2001.144, Government Code.

3 (b) A party adversely affected by a determination under
4 Subsection (a) may seek judicial review of the determination.
5 Judicial review of a determination under Subsection (a) shall be by
6 trial de novo.

7 (c) The utility commission shall abate proceedings on the
8 contract in the event of an appeal under Subsection (b) until the
9 entry of a final judicial determination that a rate charged under
10 the contract harms the public interest.

11 (d) Chapter 2001, Government Code, applies to an appeal
12 under Subsection (b).

13 (e) The utility commission shall, before holding a hearing
14 on or otherwise prescribing a just and reasonable rate to be charged
15 under the contract, allow the contracting parties to amend the
16 amount charged under the contract until at least 60 days after the
17 date:

18 (1) of a final judicial determination in an appeal
19 under Subsection (b) that a rate charged under the contract harms
20 the public interest; or

21 (2) the determination made under Subsection (a) became
22 final if a motion for rehearing was not filed on time.

23 (f) If the parties amend their contract under Subsection
24 (e), none of the parties may challenge before the utility
25 commission the rate paid under the amended contract before:

26 (1) the fifth anniversary of the date of the contract
27 amendment; or

1 (2) a date agreed to by the parties that is after the
2 fifth anniversary of the date of the contract amendment.

3 SECTION 3. The changes in law made by this Act apply only to
4 a rate proceeding under Chapter 11, 12, or 13, Water Code, that
5 begins on or after the effective date of this Act. A rate
6 proceeding that begins before the effective date of this Act is
7 governed by the law in effect on the date the rate proceeding began,
8 and the former law is continued in effect for that purpose.

9 SECTION 4. This Act takes effect September 1, 2021.