

AN ACT

relating to the appeal of rates for water or sewer service charged to certain customers of a municipality.

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

SECTION 1. Section 13.043, Water Code, is amended by amending Subsection (b) and adding Subsection (b-4) to read as follows:

(b) Ratepayers of the following entities may appeal the decision of the governing body of the entity affecting their water, drainage, or sewer rates to the utility commission:

(1) a nonprofit water supply or sewer service corporation created and operating under Chapter 67;

(2) a utility under the jurisdiction of a municipality inside the corporate limits of the municipality;

(3) a municipally owned utility, if the ratepayers reside outside the corporate limits of the municipality, including a decision of a governing body that results in an increase in rates when the municipally owned utility takes over the provision of service to ratepayers previously served by another retail public utility;

(4) a district or authority created under Article III, Section 52, or Article XVI, Section 59, of the Texas Constitution that provides water or sewer service to household users; and

(5) a utility owned by an affected county, if the

1 ratepayer's rates are actually or may be adversely affected. For
2 the purposes of this section ratepayers who reside outside the
3 boundaries of the district or authority shall be considered a
4 separate class from ratepayers who reside inside those boundaries.

5 (b-4) Subsection (b)(3) does not apply to a municipally
6 owned utility that takes over the provision of service to
7 ratepayers previously served by another retail public utility if
8 the municipally owned utility:

9 (1) takes over the service at the request of the
10 ratepayer;

11 (2) takes over the service in the manner provided by
12 Subchapter H; or

13 (3) is required to take over the service by state law,
14 an order of the commission, or an order of the utility commission.

15 SECTION 2. (a) Notwithstanding Section 13.043(c), Water
16 Code, a ratepayer described by Section 13.043(b), Water Code, as
17 amended by this Act, may use the appeal process in Section 13.043,
18 Water Code, to appeal increased rates charged to the ratepayer by a
19 municipally owned utility by filing a petition for review with the
20 Public Utility Commission of Texas and the municipally owned
21 utility not later than December 1, 2021, if the municipally owned
22 utility began providing service to the ratepayer on or after
23 September 1, 2016.

24 (b) Subsection (a) of this section applies only to rates
25 that the municipally owned utility has not changed since the
26 municipally owned utility began providing service to the ratepayer.

27 SECTION 3. This Act takes effect September 1, 2021.

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 387 passed the Senate on April 9, 2021, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

I hereby certify that S.B. No. 387 passed the House on May 23, 2021, by the following vote: Yeas 143, Nays 2, two present not voting.

Chief Clerk of the House

Approved:

Date

Governor