

By: Troxclair, Dean, Patterson, Goldman,
Hefner

H.B. No. 4208

Substitute the following for H.B. No. 4208:

By: Smithee

C.S.H.B. No. 4208

A BILL TO BE ENTITLED

AN ACT

relating to the management and control of certain municipal
electric utility systems.

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

SECTION 1. Subchapter G, Chapter 552, Local Government
Code, is amended by adding Section 552.1225 to read as follows:

Sec. 552.1225. TRANSFER OF MANAGEMENT AND CONTROL OF
ELECTRIC UTILITY SYSTEM OF CERTAIN MUNICIPALITIES. (a) A
municipality with a population of more than 750,000 that did not
transfer management and control of the municipality's electric
utility system to a board of trustees under this subchapter before
September 1, 2023, shall transfer management and control of the
municipality's electric utility system to a board of trustees
appointed by the municipality's governing body, except as provided
by Subsection (d).

(b) The board of trustees must include seven members who
serve staggered five-year terms. A person may not serve more than
two terms on the board of trustees.

(c) To serve as a member of the board of trustees, a person
must have at least 10 years of experience:

- (1) in the administration of business or government;
- (2) as a practicing attorney or certified public
accountant; or
- (3) as a professional engineer in a field related to

1 electrical, nuclear, industrial, agricultural, architectural,
2 petroleum-related, chemical, power generation, or energy
3 transmission and distribution work.

4 (d) If the service territory of the municipal electric
5 utility includes at least four municipalities, the mayor of the
6 municipality in the service territory that has the greatest number
7 of retail customers is entitled to appoint four members to the board
8 of trustees, and the mayors of the remaining municipalities in the
9 service territory are entitled jointly to appoint the remaining
10 three members. The mayor of the municipality in the service
11 territory that has the greatest number of retail customers may
12 serve as a board member. Subsection (c) does not apply to that
13 mayor.

14 (e) The proceedings of the municipality may specify the
15 powers and duties of the board of trustees, the manner of exercising
16 those powers and duties, and any matter relating to the
17 organization and duties of the board. On any matter not covered by
18 the proceedings, the board of trustees is governed by the laws and
19 rules governing the governing body of the municipality in the
20 service territory that has the greatest number of retail customers,
21 to the extent applicable.

22 SECTION 2. This Act takes effect September 1, 2023.