

By: Guillen, Menendez

H.B. No. 3284

A BILL TO BE ENTITLED

1 AN ACT

2 relating to requiring voter approval for certain rate increases by
3 water and sewer utilities.

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

5 SECTION 1. Subchapter E, Chapter 13, Water Code, is amended
6 by adding Section 13.146 to read as follows:

7 Sec. 13.146. CERTAIN PROPOSED RATE INCREASES. (a) This
8 section does not apply to a proposed increase in rates if the
9 increase is necessary to ensure the provision of continuous and
10 adequate services to the customers of a water or sewer utility or a
11 water supply or sewer service corporation.

12 (b) A water or sewer utility or a water supply or sewer
13 service corporation may not cumulatively increase rates by 25
14 percent or more in a calendar year unless a majority of customers or
15 members of the utility or corporation, voting by ballot sent in a
16 bill or in a separate mailing, approve the proposed rate increase.
17 The commission by rule shall prescribe the voting procedures a
18 water or sewer utility or water supply or sewer service corporation
19 must use under this section.

20 (c) If a majority of the ballots returned to the water or
21 sewer utility or the water supply or sewer service corporation not
22 later than the 90th day after the date the ballots are mailed
23 approve the proposed rate increase, the water or sewer utility or
24 the water supply or sewer service corporation may increase the

1 rates.

2 (d) If a majority of the ballots returned to the water or
3 sewer utility or the water supply or sewer service corporation not
4 later than the 90th day after the date the ballots are mailed do not
5 approve the proposed rate increase, the water or sewer utility or
6 the water supply or sewer service corporation may not increase the
7 rates.

8 (e) This section does not affect the requirement that the
9 water or sewer utility or the water supply or sewer service
10 corporation obtain approval of a rate increase under Subchapter F.

11 SECTION 2. This Act takes effect September 1, 2005.