

By: Guillen

H.B. No. 3284

A BILL TO BE ENTITLED

AN ACT

1
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.

11 (b) A water or sewer utility may not cumulatively increase
12 rates by 25 percent or more in a calendar year unless a majority of
13 the members/customers in the water or sewer utility affected by the
14 proposed rate increase, voting in an election called and held for
15 that purpose, approve the proposed rate increase. A governing body
16 of a water or sewer utility may call the election. The election
17 must be held in accordance with the Election Code.

18 (c) If a majority of the voters in the water or sewer utility
19 affected by the proposed rate increase, voting in the election,
20 approve the proposed rate increase, the water or sewer utility may
21 increase the rates.

22 (d) If a majority of the voters in the water or sewer utility
23 affected by the proposed rate increase, voting in the election, do
24 not approve the proposed rate increase, the water or sewer utility

1 may not increase the rates.

2 (e) This section does not affect the requirement that the
3 water or sewer utility obtain approval of a rate increase under
4 Subchapter F.

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