

BILL ANALYSIS

H.B. 3501
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Natural Resources
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Commercially owned and operated multi-family residential properties, such as apartment complexes and manufactured home rental communities, normally receive water and wastewater service from the local public utility on a "master meter" basis. Texas law requires that apartments built after January 1, 2003 must be submetered properties. Submetering is the measurement and billing of utility use, including water and waste water, in individual dwellings in a master-metered environment. The installation of submetering equipment within each apartment of a multi-tenant unit accurately measures resident consumption, allowing residents to be billed only for their actual consumption. Hence, when consumers are provided with an accurate measurement of their utility usage, they typically modify their behavior so as to decrease their consumption, and reducing consumption results in lower utility bills.

Texas law recognizes that submetering results in increased conservation of natural resources. Section 13.503 of the Water Code states that "[t]he commission shall encourage submetering of individual rental or dwelling units by master meter operators or building owners to enhance the conservation of water resources." Switching from a "master meter" system to a submetering system requires installation of submeters by the owner of a complex as well as the recurring costs of determining consumption, calculating and applying rates, and repairing, maintaining, and reading meters, amongst other functions. In 1999, the costs of submetering were recognized when SB 950 was passed that authorized the owners of submetered manufactured home rental communities to partially offset some of these recurring monthly costs by allowing a 9 percent service charge to be allocated monthly to the water and wastewater bill for each submetered dwelling. HB 3501 continues to recognize the conservation values afforded by submetering and extends this service charge to water and wastewater for submetered apartment properties.

RULEMAKING AUTHORITY

It is the Committee's opinion that the bill does not expressly delegate any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

SECTION 1. Amends Chapter 13.503 (c) and (d), Water Code, as follows:

Subsection (c) Provides that the rules shall allow the owner or manager of a manufactured home rental community or apartment house to impose a service charge of not more than nine percent of the costs related to submetering allocated to each submetered rental or dwelling unit.

Subsection (d) Provides that the "costs related to submetering" means water costs as well as any other taxes and surcharges that are charged by the retail public utility to the owner or manager of a manufactured home rental community or apartment house.

SECTION 2. Provides the effective date of this Act.

EFFECTIVE DATE

This Act takes effect September 1, 2009.