

By: Jackson

S.B. No. 1074

A BILL TO BE ENTITLED

AN ACT

relating to water districts' authority to set rates and a presumption of validity.

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

SECTION 1. The heading to Section 49.2122, Water Code, is amended to read as follows:

Sec. 49.2122. AUTHORITY TO SET RATES; PRESUMPTION OF VALIDITY [~~ESTABLISHMENT OF CUSTOMER CLASSES~~].

SECTION 2. Section 49.2122(b), Water Code, is amended to read as follows:

(b) A district is presumed to have weighed and considered appropriate factors in establishing customer classes and rates and to have properly established customer classes, rates, charges, fees, rentals, and deposits absent a showing by a ratepayer at a hearing on an appeal filed under Section 13.043(b) that the district had no reasonable basis for its action. A district's rates are presumed just and reasonable and not unreasonably preferential, prejudicial, or discriminatory absent a showing by a ratepayer at a hearing on an appeal filed under Section 13.043(b) that the district had no reasonable basis for its action [~~that the district acted arbitrarily and capriciously~~].

SECTION 3. The changes in law made by Section 49.2122, Water Code, as amended by this Act, apply only to rates established on or after the effective date of this Act. A rate established before the

1 effective date of this Act is governed by the law in effect
2 immediately before that date, and that law is continued in effect
3 for that purpose.

4 SECTION 4. This Act takes effect September 1, 2011.