

1-1 By: Jackson S.B. No. 1074  
1-2 (In the Senate - Filed March 2, 2011; March 16, 2011, read  
1-3 first time and referred to Committee on Natural Resources;  
1-4 May 4, 2011, reported favorably by the following vote: Yeas 7,  
1-5 Nays 0; May 4, 2011, sent to printer.)

1-6 A BILL TO BE ENTITLED  
1-7 AN ACT

1-8 relating to water districts' authority to set rates and a  
1-9 presumption of validity.

1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. The heading to Section 49.2122, Water Code, is  
1-12 amended to read as follows:

1-13 Sec. 49.2122. AUTHORITY TO SET RATES; PRESUMPTION OF  
1-14 VALIDITY [~~ESTABLISHMENT OF CUSTOMER CLASSES~~].

1-15 SECTION 2. Subsection (b), Section 49.2122, Water Code, is  
1-16 amended to read as follows:

1-17 (b) A district is presumed to have weighed and considered  
1-18 appropriate factors in establishing customer classes and rates and  
1-19 to have properly established customer classes, rates, charges,  
1-20 fees, rentals, and deposits absent a showing by a ratepayer at a  
1-21 hearing on an appeal filed under Section 13.043(b) that the  
1-22 district had no reasonable basis for its action. A district's rates  
1-23 are presumed just and reasonable and not unreasonably preferential,  
1-24 prejudicial, or discriminatory absent a showing by a ratepayer at a  
1-25 hearing on an appeal filed under Section 13.043(b) that the  
1-26 district had no reasonable basis for its action [~~that the district~~  
1-27 ~~acted arbitrarily and capriciously~~].

1-28 SECTION 3. The changes in law made by Section 49.2122, Water  
1-29 Code, as amended by this Act, apply only to rates established on or  
1-30 after the effective date of this Act. A rate established before the  
1-31 effective date of this Act is governed by the law in effect  
1-32 immediately before that date, and that law is continued in effect  
1-33 for that purpose.

1-34 SECTION 4. This Act takes effect September 1, 2011.

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