

By: Fraser

S.B. No. 447

A BILL TO BE ENTITLED

AN ACT

relating to annual and special meetings of and election procedures for members of boards of directors for water supply or sewer service corporations.

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

SECTION 1. Section 67.0052, Water Code, is amended by amending Subsection (a) and adding Subsection (d) to read as follows:

(a) To be listed on the ballot as a candidate for a director's position, a person must file an application with the corporation that includes:

(1) the director's position sought, including any position number or other distinguishing number;

(2) if the corporation has 1,500 or more members or shareholders, a petition~~[7]~~ signed by ~~[the lesser of]~~ 20 members or shareholders ~~[or five percent of the members or shareholders,]~~ requesting that the person's name be placed on the ballot as a candidate for that position;

(3) the person's written consent to serve, if elected;

(4) biographical information about the person; and

(5) a statement of the person's qualifications, including a statement that the person has the qualifications prescribed by Section 67.0051.

(d) This section applies only to a corporation that provides

1 retail water or sewer service.

2 SECTION 2. Section 67.0053, Water Code, is amended by
3 adding Subsection (c) to read as follows:

4 (c) This section:

5 (1) applies only to a corporation that provides retail
6 water or sewer service; and

7 (2) does not apply to an election in relation to a
8 candidate for a director's position for which the board has adopted
9 a resolution under Section 67.0055.

10 SECTION 3. Section 67.0054, Water Code, is amended by
11 amending Subsection (c) and adding Subsection (g) to read as
12 follows:

13 (c) For each director's position, the candidate who
14 receives the highest number of votes or who is the subject of a
15 resolution described by Section 67.0055 is elected.

16 (g) This section applies only to a corporation that provides
17 retail water or sewer service.

18 SECTION 4. Subchapter A, Chapter 67, Water Code, is amended
19 by adding Section 67.0055 to read as follows:

20 Sec. 67.0055. ELECTION OF UNOPPOSED CANDIDATE. (a) This
21 section applies only to an election for a director's position on a
22 board of a corporation that provides retail water or sewer service
23 in which a candidate who is to appear on the ballot for the position
24 is unopposed.

25 (b) The board by resolution may declare a candidate elected
26 to a director's position if the board certifies in writing that the
27 candidate is unopposed for the position. A copy of the resolution

1 shall be posted at the corporation's main office.

2 (c) If a declaration is made under Subsection (b), the
3 election for that position is not held.

4 (d) If the election for the unopposed candidate would have
5 been held with an annual meeting of the members or shareholders of
6 the corporation, the text of the declaration described by
7 Subsection (b) shall be read into the record at the annual meeting.

8 (e) The ballots used at a separate election that is held at
9 the same time as an election for an unopposed candidate would have
10 been held shall include after measures or contested races the
11 position and name of a candidate declared elected under this
12 section, under the heading "Unopposed Candidates Declared
13 Elected."

14 (f) A person may not, by intimidation or by means of
15 coercion, influence or attempt to influence a person to withdraw as
16 a candidate or not to file an application for a place on the ballot
17 so that an election may be canceled.

18 (g) The board may adopt necessary rules or bylaws to
19 implement this section, including rules or bylaws to ensure the
20 fairness, integrity, and openness of the process.

21 SECTION 5. The heading to Section 67.007, Water Code, is
22 amended to read as follows:

23 Sec. 67.007. ANNUAL OR SPECIAL MEETING OF RETAIL
24 CORPORATION.

25 SECTION 6. Section 67.007, Water Code, is amended by adding
26 Subsection (e) to read as follows:

27 (e) This section applies only to a corporation that provides

1 retail water or sewer service.

2 SECTION 7. Subchapter A, Chapter 67, Water Code, is amended
3 by adding Section 67.0075 to read as follows:

4 Sec. 67.0075. ANNUAL OR SPECIAL MEETING OF OTHER
5 CORPORATION. A corporation to which Section 67.007 does not apply
6 shall comply with the annual meeting and director election
7 provisions prescribed by Chapter 22, Business Organizations Code.

8 SECTION 8. The change in law made by this Act applies only
9 to an annual or special meeting or a director election held on or
10 after the effective date of this Act. A meeting or an election held
11 before the effective date of this Act is governed by the law in
12 effect when the meeting or election was held, and that law is
13 continued in effect for that purpose.

14 SECTION 9. This Act takes effect immediately if it receives
15 a vote of two-thirds of all the members elected to each house, as
16 provided by Section 39, Article III, Texas Constitution. If this
17 Act does not receive the vote necessary for immediate effect, this
18 Act takes effect September 1, 2013.