

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 Subsections (a) and (b) 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.

(b) The application must be filed with the corporation not

1 later than the 45th day before the date of the annual meeting. The
2 corporation shall notify the members or shareholders of the
3 application deadline not later than the 30th day before the
4 deadline.

5 (d) This section applies only to a corporation that provides
6 retail water or sewer service.

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

9 (c) This section:

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

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

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

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

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

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

25 Sec. 67.0055. ELECTION OF UNOPPOSED CANDIDATE. (a) This
26 section applies only to an election for a director's position on a
27 board of a corporation that provides retail water or sewer service

1 in which a candidate who is to appear on the ballot for the position
2 is unopposed.

3 (b) The board by resolution may declare a candidate elected
4 to a director's position if the board certifies in writing that the
5 candidate is unopposed for the position. A copy of the resolution
6 shall be posted at the corporation's main office.

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

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

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

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

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

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

1 Sec. 67.007. ANNUAL OR SPECIAL MEETING OF RETAIL
2 CORPORATION.

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

5 (e) This section applies only to a corporation that provides
6 retail water or sewer service.

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

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

13 SECTION 8. The change in law made by this Act applies only
14 to an annual or special meeting or a director election held on or
15 after the 75th day after the effective date of this Act. A meeting
16 or an election held before the 75th day after the effective date of
17 this Act is governed by the law in effect when the meeting or
18 election was held, and that law is continued in effect for that
19 purpose.

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

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 447 passed the Senate on March 13, 2013, by the following vote: Yeas 31, Nays 0; and that the Senate concurred in House amendment on May 7, 2013, by the following vote: Yeas 29, Nays 0.

Secretary of the Senate

I hereby certify that S.B. No. 447 passed the House, with amendment, on April 25, 2013, by the following vote: Yeas 136, Nays 0, two present not voting.

Chief Clerk of the House

Approved:

Date

Governor