

1-1 By: Fraser S.B. No. 447
 1-2 (In the Senate - Filed February 8, 2013; February 13, 2013,
 1-3 read first time and referred to Committee on Natural Resources;
 1-4 March 6, 2013, reported favorably by the following vote: Yeas 9,
 1-5 Nays 0; March 6, 2013, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10			X	
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15			X	
1-16	X			
1-17	X			
1-18	X			

1-19 A BILL TO BE ENTITLED
 1-20 AN ACT

1-21 relating to annual and special meetings of and election procedures
 1-22 for members of boards of directors for water supply or sewer service
 1-23 corporations.

1-24 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-25 SECTION 1. Section 67.0052, Water Code, is amended by
 1-26 amending Subsection (a) and adding Subsection (d) to read as
 1-27 follows:

1-28 (a) To be listed on the ballot as a candidate for a
 1-29 director's position, a person must file an application with the
 1-30 corporation that includes:

1-31 (1) the director's position sought, including any
 1-32 position number or other distinguishing number;

1-33 (2) if the corporation has 1,500 or more members or
 1-34 shareholders, a petition~~[,]~~ signed by ~~[the lesser of]~~ 20 members or
 1-35 shareholders ~~[or five percent of the members or shareholders,]~~
 1-36 requesting that the person's name be placed on the ballot as a
 1-37 candidate for that position;

1-38 (3) the person's written consent to serve, if elected;

1-39 (4) biographical information about the person; and

1-40 (5) a statement of the person's qualifications,
 1-41 including a statement that the person has the qualifications
 1-42 prescribed by Section 67.0051.

1-43 (d) This section applies only to a corporation that provides
 1-44 retail water or sewer service.

1-45 SECTION 2. Section 67.0053, Water Code, is amended by
 1-46 adding Subsection (c) to read as follows:

1-47 (c) This section:

1-48 (1) applies only to a corporation that provides retail
 1-49 water or sewer service; and

1-50 (2) does not apply to an election in relation to a
 1-51 candidate for a director's position for which the board has adopted
 1-52 a resolution under Section 67.0055.

1-53 SECTION 3. Section 67.0054, Water Code, is amended by
 1-54 amending Subsection (c) and adding Subsection (g) to read as
 1-55 follows:

1-56 (c) For each director's position, the candidate who
 1-57 receives the highest number of votes or who is the subject of a
 1-58 resolution described by Section 67.0055 is elected.

1-59 (g) This section applies only to a corporation that provides
 1-60 retail water or sewer service.

1-61 SECTION 4. Subchapter A, Chapter 67, Water Code, is amended

2-1 by adding Section 67.0055 to read as follows:

2-2 Sec. 67.0055. ELECTION OF UNOPPOSED CANDIDATE. (a) This
 2-3 section applies only to an election for a director's position on a
 2-4 board of a corporation that provides retail water or sewer service
 2-5 in which a candidate who is to appear on the ballot for the position
 2-6 is unopposed.

2-7 (b) The board by resolution may declare a candidate elected
 2-8 to a director's position if the board certifies in writing that the
 2-9 candidate is unopposed for the position. A copy of the resolution
 2-10 shall be posted at the corporation's main office.

2-11 (c) If a declaration is made under Subsection (b), the
 2-12 election for that position is not held.

2-13 (d) If the election for the unopposed candidate would have
 2-14 been held with an annual meeting of the members or shareholders of
 2-15 the corporation, the text of the declaration described by
 2-16 Subsection (b) shall be read into the record at the annual meeting.

2-17 (e) The ballots used at a separate election that is held at
 2-18 the same time as an election for an unopposed candidate would have
 2-19 been held shall include after measures or contested races the
 2-20 position and name of a candidate declared elected under this
 2-21 section, under the heading "Unopposed Candidates Declared
 2-22 Elected."

2-23 (f) A person may not, by intimidation or by means of
 2-24 coercion, influence or attempt to influence a person to withdraw as
 2-25 a candidate or not to file an application for a place on the ballot
 2-26 so that an election may be canceled.

2-27 (g) The board may adopt necessary rules or bylaws to
 2-28 implement this section, including rules or bylaws to ensure the
 2-29 fairness, integrity, and openness of the process.

2-30 SECTION 5. The heading to Section 67.007, Water Code, is
 2-31 amended to read as follows:

2-32 Sec. 67.007. ANNUAL OR SPECIAL MEETING OF RETAIL
 2-33 CORPORATION.

2-34 SECTION 6. Section 67.007, Water Code, is amended by adding
 2-35 Subsection (e) to read as follows:

2-36 (e) This section applies only to a corporation that provides
 2-37 retail water or sewer service.

2-38 SECTION 7. Subchapter A, Chapter 67, Water Code, is amended
 2-39 by adding Section 67.0075 to read as follows:

2-40 Sec. 67.0075. ANNUAL OR SPECIAL MEETING OF OTHER
 2-41 CORPORATION. A corporation to which Section 67.007 does not apply
 2-42 shall comply with the annual meeting and director election
 2-43 provisions prescribed by Chapter 22, Business Organizations Code.

2-44 SECTION 8. The change in law made by this Act applies only
 2-45 to an annual or special meeting or a director election held on or
 2-46 after the effective date of this Act. A meeting or an election held
 2-47 before the effective date of this Act is governed by the law in
 2-48 effect when the meeting or election was held, and that law is
 2-49 continued in effect for that purpose.

2-50 SECTION 9. This Act takes effect immediately if it receives
 2-51 a vote of two-thirds of all the members elected to each house, as
 2-52 provided by Section 39, Article III, Texas Constitution. If this
 2-53 Act does not receive the vote necessary for immediate effect, this
 2-54 Act takes effect September 1, 2013.

2-55

* * * * *