

**SUBJECT:** Exempting housing for older persons from electric metering requirements

**COMMITTEE:** Business and Industry — favorable, without amendment

**VOTE:** 8 ayes — Brimer, Rhodes, Corte, Elkins, Giddings, Janek, Solomons, Woolley  
0 nays  
1 absent — Dukes

**SENATE VOTE:** On final passage, Local and Uncontested Calendar, April 17 — 31-0

**WITNESSES:** (*On House companion, HB 2239*)  
For — Jim Jard, West Houston Association  
  
Against — None

**BACKGROUND :** No incorporated city or town may authorize the construction or occupancy of a new apartment house or conversion to a condominium unless the construction plan provides for individual metering of electricity by the utility company or submetering by the owner of each dwelling unit. This provision does not apply to permits issued to nonprofit organizations for constructing new apartment houses for low-income elderly if cost savings are passed on to the tenants.

In 1995, the Legislature deregulated the wholesale electric market, which consists primarily of long-term contracts to provide electricity to distribution cooperatives and cities.

**DIGEST:** SB 1529 would allow cities and towns to offer an exemption from electricity metering requirements for the construction of housing for older persons with 100 or more dwelling units. The construction plans would have to meet the requirements for “housing for older persons,” defined as housing intended for and solely occupied by persons 62 years or older.

Housing intended and operated for occupancy by at least one person 55 years or older per dwelling unit would qualify if significant facilities and

services were specifically designed to meet the physical or social needs of older persons. If such facilities and services could not be practicably provided, the construction would have to be necessary to provide important housing opportunities for older persons. In addition, at least 80 percent of dwelling units would have to be set aside for occupancy by at least one person 55 years or older, and policies and procedures would have to demonstrate the intention of providing housing for persons 55 years or older.

No apartment house or mobile home park owner who provided housing for older persons under these provisions could be considered a wholesale utility customer.

SB 1529 would take effect September 1, 1997.

**SUPPORTERS  
SAY:**

SB 1529 would help provide many senior citizens living on fixed incomes with the security and peace of mind that come from living in an all-bills-paid apartment. Currently, there is a shortage of such apartments for seniors in many areas of Texas. SB 1529 would address this problem by allowing cities and towns to exempt construction of eligible housing for older persons from individual metering and submetering requirements. This would encourage developers to build master-metered housing complexes for seniors that would rent on an all-bills-paid basis. Complexes without individual meters or submeters are less expensive to build, and this savings could be passed on to the tenants.

Electricity is the only utility required to be individually metered or submetered. This requirement was established during the energy crisis of the late 1970s, based on the assumption that less electricity would be used if it were individually metered. This policy does not really apply to senior citizens because they tend to use substantially less electricity than other age groups.

The bill is permissive, not mandatory, so cities and towns could make a decision based on local needs as to whether they wanted to exempt housing for older persons from individual metering requirements.

**OPPONENTS SAY:** The provision that no apartment house owner or mobile home park owner providing housing for older persons could be considered a wholesale utility customer is unnecessary and potentially problematic. This is already the current law, so including this language in the bill could imply that other types of apartment house or mobile home park owners could be considered wholesale utility customers.

**NOTES:** Rep. Janek plans to offer a floor amendment to delete the provision specifying that apartment house owners and mobile home park owners providing housing for older persons could not be considered wholesale utility customers.