

SUBJECT: Requiring notice 14 days before disconnecting water and sewer service

COMMITTEE: Natural Resources — favorable, without amendment

VOTE: 9 ayes — T. King, Harris, Bowers, Kacal, Larson, Paul, Price, Walle,
Wilson

0 nays

2 absent — Lucio, Ramos

WITNESSES: For — None

Against — (*Registered, but did not testify*: Bill Kelly, City of Houston
Mayor's Office)

DIGEST: HB 2268 would require a water and sewer utility to mail and hand deliver
in a separate written statement a disconnection notice to a customer at
least 14 days before the date the utility disconnected the customer's
service, unless a shorter time was authorized by the Public Utility
Commission of Texas.

The bill would take effect September 1, 2021, and would apply only to a
disconnection of water or sewer service that is scheduled on or after
September 15, 2021.

SUPPORTERS
SAY: HB 2268 would provide Texans whose water and sewer services were
scheduled for disconnection valuable time to plan and make necessary
arrangements. Current law requires that notice of service disconnection be
given but does not specify exactly when. This has resulted in
disconnections on short notice that do not allow utility customers enough
time to plan and make alternative arrangements. Requiring 14 days notice
before disconnection would allow sufficient time for planning without
hindering the utilities' operations.

The bill's requirement that notice be delivered by hand is necessary to

ensure that all customers subject to disconnection receive proper notice. Notice by mail can be unreliable, especially in lower income areas that see more frequent service disconnections. The bill would not require more costly forms of notification, such as personal service, but simply the hand delivery of disconnection notices. In places where this is already practiced, notice is typically given in the form of a door hanger left at the customer's residence. The importance of these notices and the ability to plan ahead justify the hand delivery requirement and any associated costs.

CRITICS
SAY:

HB 2268's requirement that disconnection notices be hand delivered would create an undue financial and logistical burden for utilities located in the state's largest cities. These utilities are required to deliver a large number of disconnection notices, and requiring each one to be delivered by hand would necessitate the hiring of additional staff and the dedication of already scarce funds.

NOTES:

According to the Legislative Budget Board, the City of Houston would anticipate a negative fiscal impact of \$1.2 million per fiscal year due to necessary new staff and printing and postage costs as a result of HB 2268. LBB could not determine the fiscal impact to other units of local government, but they could be significant depending on population.