

BILL ANALYSIS

Senate Research Center
79R15528 MTB-D

H.B. 3284
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Natural Resources
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Engrossed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Water and sewer customers must use the existing utility in their community and cannot shop around for such services, creating a type of monopoly in the delivery of such services. To protect water and sewer users from sudden sharp increases in rates, H.B. 3284 requires an election if such rates are increased over 25 percent in any calendar year.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Texas Commission on Environmental Quality in SECTION 1 (Section 13.146, Water Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter E, Chapter 13, Water Code, by adding Section 13.146, as follows:

Sec. 13.146. CERTAIN PROPOSED RATE INCREASES. (a) Provides that this section does not apply to a proposed increase in rates if the increase is necessary to ensure the provision of continuous and adequate services to the customers of a water or sewer utility or a water supply or sewer service corporation.

(b) Prohibits a water or sewer utility or a water supply or sewer service corporation from cumulatively increasing rates by 25 percent or more in a calendar year unless a majority of customers or members of the utility or corporation, voting by ballot sent in a bill or in a separate mailing, approve the proposed rate increase. Requires the Texas Commission on Environmental Quality (TCEQ), by rule, to prescribe the voting procedures a water or sewer utility or water supply or sewer service corporation must use under this section.

(c) Authorizes the water or sewer utility or the water supply or sewer service corporation to increase the rates, if a majority of the ballots returned to the water or sewer utility or the water supply or sewer service corporation not later than the 90th day after the date the ballots are mailed approve the proposed rate increase.

(d) Prohibits the water or sewer utility or the water supply or sewer service corporation from increasing the rates, if a majority of the ballots returned to the water or sewer utility or the water supply or sewer service corporation not later than the 90th day after the date the ballots are mailed do not approve the proposed rate increase.

(e) Provides that this section does not affect the requirement that the water or sewer utility or the water supply or sewer service corporation obtain approval of a rate increase under Subchapter F.

SECTION 2. Effective date: September 1, 2005.