

SUBJECT: Transfers of water supply or sewer service corporation stock

COMMITTEE: Natural Resources — favorable, with amendments

VOTE: 7 ayes — Yost, Corte, King, R. Lewis, Puente, Stiles, Walker
0 nays
2 absent — Counts, Combs

WITNESSES: For — Tommy Duck, Texas Rural Water Association
Against — None
On — Phil R. Taylor

BACKGROUND: Under art. 1434a, sec. 9A VACS, Water Supply or Sewer Service Corporation stock, membership or other right of participation is restricted to three means of sale or transfer:

- by will to a family member;
- transfer to a family member without compensation; or
- to the corporation without compensation.

DIGEST: HB 2925 would allow a transferee to receive water supply or sewer service corporation stock by agreeing to the terms of the service without having to appear personally at the office of the corporation to make such a statement of agreement. This would allow a person who wishes to agree to the terms and condition imposed by such stock transfers to agree to them in writing. That writing must be completed on the corporation's standard form for such transfers.

HB 2925 would also allow for transfer of such stock by judicial or non-judicial foreclosure.

This bill would take immediate effect if approved by two-thirds of the membership of each house.

NOTES:

The committee amendment to HB 2925 would require all transfer applications to be filled out on the corporation's standard forms and done in a timely manner. It would also allow the corporation to require proof of ownership resulting from foreclosure before transferring the stock. The amendment makes other technical corrections.