

BILL ANALYSIS

Senate Research Center
80R14616 DRH-F

H.B. 3862
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

In certain circumstances, individuals receive water supply from one provider and sewer services from a different provider, often a municipality. In such cases the water supplier is not required by law to furnish the sewer service provider with any information regarding a customer's water use. When this information is unavailable the sewer service provider must develop a system of billing based on assumptions and estimations, often resulting in flat fees.

Flat sewer service fees, although necessary in some circumstances, tend to inflate charges to customers with lower than average usage and deflate charges to customers with higher than average usage. Additionally, if a customer fails to pay for its sewer service, the sewer service provider is unable to discontinue service to the non-paying customer, as is the water service provider.

H.B. 3862 requires that certain water service providers cooperate with a municipality that provides sewer service by sharing relevant customer information and by disconnecting water service to customers failing to pay their sewer service bills for a period of time.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to any state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter Z, Chapter 402, Local Government Code, by adding Section 402.911, as follows:

Sec. 402.911. DUTIES OF WATER SERVICE PROVIDER TO AN AREA SERVED BY SEWER SERVICE OF CERTAIN POLITICAL SUBDIVISIONS. (a) Sets forth certain areas to which this section applies.

(b) Authorizes a municipality or conservation and reclamation district to provide written notice to a person to whom the municipality's or district's sewer service system provides service if the person has failed to pay for the service for more than 90 days. Provides that the notice must state the past due amount owed and the deadline by which the past due amount must be paid or the person will lose water service. Authorizes the notice to be sent by mail or hand-delivered to the location at which the sewer service is provided.

(c) Authorizes the municipality or district to notify the water service provider of a person who fails to make timely payment after the person receives notice under Subsection (b). Provides that the notice must indicate the number of days the person has failed to pay for sewer service and the total amount past due. Requires the water service provider to discontinue water service to the person on receipt of the notice.

(d) Requires the water service provider to provide the municipality or district with any relevant customer information for each person the water service provider serves in an area to which this section applies so that the municipality or district

may bill users of the sewer service directly and verify the water consumption of users.

(e) Requires the municipality or district to reimburse the water service provider for its reasonable and actual incremental costs for providing services to the municipality or district under this section. Provides that incremental costs are limited to only those costs that are in addition to the water service provider's costs in providing its services to its customers. Provides that those costs must be consistent with the costs incurred by other water utility providers. Requires the water service provider to provide the municipality or district with documentation certified by a certified public accountant of the reasonable and actual incremental costs for providing services to the municipality or district under this section.

SECTION 2. Effective date: September 1, 2007.