

BILL ANALYSIS

Senate Research Center

S.B. 2126
By: Estes
Natural Resources
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Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Commercially owned and operated multi-family residential properties, such as apartment complexes and manufactured home rental communities, normally receive water and wastewater service from the local public utility on a "master meter" basis. Texas law requires that apartments built after January 1, 2003, must be submetered properties. Submetering is the measurement and billing of utility use, including water and waste water, in individual dwellings in a master-metered environment. The installation of submetering equipment within each apartment of a multi-tenant unit accurately measures resident consumption, allowing residents to be billed only for their actual consumption. When consumers are provided with an accurate measurement of their utility usage, they typically modify their behavior so as to decrease their consumption, and reduced consumption results in lower utility bills.

Texas law recognizes that submetering results in increased conservation of natural resources. Section 13.503 of the Water Code states that the Texas Commission on Environmental Quality "shall encourage submetering of individual rental or dwelling units by master meter operators or building owners to enhance the conservation of water resources." Switching from a "master meter" system to a submetering system requires installation of submeters by the owner of a complex as well as the recurring costs of determining consumption, calculating and applying rates, and repairing, maintaining, and reading meters, amongst other functions. In 1999, the costs of submetering were recognized when S.B. 950 was passed authorizing the owners of submetered manufactured home rental communities to partially offset some of these recurring costs by allowing a nine percent service charge to be allocated monthly to the water and wastewater bill for each submetered dwelling. This bill continues to recognize the conservation values afforded by submetering and extends this service charge to water and wastewater for submetered apartment properties.

S.B. 2126 amends current law relating to the authority of owners and managers of apartment houses to assess a service charge for the submetering of water and wastewater services.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 13.503, Water Code, by amending Subsections (c) and (d) and adding Subsection (c-1), as follows:

(c) Requires that the rules, in addition to the charges permitted under Subsection (b) (relating to the Texas Commission on Environmental Quality adopting rules for installing submetering equipment), except as provided by Subsection (c-1), to authorize the owner or manager of a manufactured home rental community or apartment house, rather than owner or manager, to impose a service charge of not more than nine percent of the costs related to submetering allocated to each submetered rental or dwelling unit.

(c-1) Prohibits the rules from authorizing the owner or manager of an apartment house to impose a service charge under Subsection (c) on a resident who resides in a unit of an apartment house that has received an allocation of low income housing tax credits under

Subchapter DD, Chapter 2306, Government Code, or who receives tenant-based voucher assistance under Section 8, United States Housing Act of 1937 (42 U.S.C. Section 1437f).

(d) Redefines "costs related to submetering."

SECTION 2. Effective date: upon passage or September 1, 2009.