

BILL ANALYSIS

Senate Research Center

H.B. 1772
By: Turner, Chris et al. (Davis)
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Concerns have been raised about multifamily properties and the impact that unexpected utility service disconnection has on the residents. Tenants in nonsubmetered master metered apartment properties usually pay a flat rate for utilities, which is typically included in their monthly rent, with the landlord being responsible for directly paying the utility company for the property as a whole. One of the biggest concerns regarding this method is that it leaves tenants with little to no recourse in getting service restored when it is unexpectedly disconnected as a result of a landlord's failure to meet the lease agreement. Recent reports indicate that this scenario is not uncommon among large numbers of apartment and condominium complexes, particularly in low-income urban areas where buildings might be older and, therefore, not submetered.

H.B. 1772 requires written notice to be provided to tenants and to the municipality in which the apartment complex is located of a pending disconnection in gas or electric utility service.

H.B. 1772 amends current law relating to the disconnection of electric or gas utility service.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Public Utility Commission of Texas in SECTION 2 (Section 17.203, Utilities Code) of this bill.

Rulemaking authority is expressly granted to the Railroad Commission of Texas in SECTION 3 (Section 104.353, Utilities Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter G, Chapter 92, Property Code, by adding Section 92.302, as follows:

Sec. 92.302. NOTICE OF UTILITY DISCONNECTION OF NONSUBMETERED MASTER METERED MULTIFAMILY PROPERTY TO MUNICIPALITIES, OWNERS, AND TENANTS. (a) Defines "customer" and "nonsubmetered master metered multifamily property" in this section.

(b) Requires a customer to provide written notice of a service disconnection to each tenant or owner at a nonsubmetered master metered multifamily property not later than the fifth day after the date the customer receives a notice of service disconnection from an electric service provider or a gas utility. Requires the customer to provide the notice by mail to the tenant's or owner's preferred mailing address or hand deliver the notice to the tenant or owner. Requires that the notice include the customer's contact information and the tenant's remedies under Section 92.301 (Landlord Liability to Tenant for Utility Cutoff). Requires that the notice include certain text in both English and Spanish. Sets forth the language to be included on the notice.

(c) Requires the customer, if the property is located in a municipality, to provide the same notice described by Subsection (b) to the governing body of that municipality by certified mail. Authorizes the governing body of the municipality

to provide additional notice to the property's tenants and owners after receipt of the service disconnection notice under this subsection.

(d) Provides that a customer is not required to provide the notices described by this section if the customer avoids the disconnection by paying the bill.

SECTION 2. Amends Chapter 17, Utilities Code, by adding Subchapter E, as follows:

SUBCHAPTER E. PROTECTION AGAINST UTILITY SERVICE DISCONNECTION

Sec. 17.201. DEFINITION. Defines "nonsubmetered master metered multifamily property" in this subchapter.

Sec. 17.202. NOTICE OF DISCONNECTION TO MUNICIPALITIES FOR NONSUBMETERED MASTER METERED MULTIFAMILY PROPERTIES. (a) Requires a retail electric provider or a vertically integrated electric utility, not including a municipally owned utility or an electric cooperative, in an area where customer choice has not been introduced to send a written notice of service disconnection to a municipality before the retail electric provider or vertically integrated electric utility disconnects service to a nonsubmetered master metered multifamily property for nonpayment if the property is located in the municipality, and the municipality establishes an authorized representative to receive the notice as described by Section 17.203(c).

(b) Requires the retail electric provider or vertically integrated electric utility in an area where customer choice has not been introduced to send the notice required by this section not later than the 10th day before the date electric service is scheduled for disconnection.

Sec. 17.203. ADDITIONAL SAFEGUARDS. (a) Provides that the customer safeguards provided by this subchapter are in addition to safeguards provided by other law or agency rules.

(b) Provides that this subchapter does not prohibit a municipality or the Public Utility Commission (PUC) from adopting customer safeguards that exceed the safeguards provided by this chapter (Customer Protection).

(c) Requires PUC by rule to develop a mechanism by which a municipality is authorized to provide PUC with the contact information of the municipality's authorized representative to whom the notice required by Section 17.202 is required to be sent. Requires PUC to make the contact information available to the public.

SECTION 3. Amends Chapter 104, Utilities Code, by adding Subchapter H, as follows:

SUBCHAPTER H. PROTECTION AGAINST UTILITY SERVICE DISCONNECTION

Sec. 104.351. DEFINITIONS. Defines "customer," "gas utility," and "nonsubmetered master metered multifamily property" in this subchapter.

Sec. 104.352. NOTICE OF DISCONNECTION TO MUNICIPALITIES FOR NONSUBMETERED MASTER METERED MULTIFAMILY PROPERTIES. (a) Requires a gas utility to send a written notice of service disconnection to a municipality before the gas utility disconnects service to a nonsubmetered master metered multifamily property for nonpayment if the property is located in the municipality, and the municipality establishes an authorized representative to receive the notice as described by Section 104.353(c).

(b) Requires the gas utility to send the notice required by this section not later than the 10th day before the date gas utility service is scheduled for disconnection.

Sec. 104.353. ADDITIONAL SAFEGUARDS. (a) Provides that the customer safeguards provided by this subchapter are in addition to safeguards provided by other law or agency rules.

(b) Provides that this subchapter does not prohibit a municipality or the Railroad Commission of Texas (regulatory authority) governing body of a municipality from adopting customer safeguards that exceed the safeguards provided by this chapter (Rates and Services).

(c) Requires the regulatory authority by rule to develop a mechanism by which a municipality is authorized to provide the regulatory authority with the contact information of the municipality's authorized representative to whom the notice required by Section 104.352 is required to be sent. Requires the regulatory authority to make the contact information available to the public.

SECTION 4. Provides that the change in law made by this Act applies only in regard to disconnection of service for nonpayment of a utility bill issued for a billing period that begins on or after the effective date of this Act.

SECTION 5. Effective date: January 1, 2014.