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AN ACT

relating to the late payment of certain submetered or allocated water bills and the use of certain submetering equipment.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 13.503, Water Code, is amended by amending Subsections (a) and (b) and adding Subsection (e) to read as follows:

(a) The commission shall encourage submetering of individual rental or dwelling units by master meter operators or building owners to enhance the conservation of water resources.

(b) Notwithstanding any other law, the commission shall adopt rules and standards under which an owner, operator, or manager of an apartment house, manufactured home rental community, or multiple use facility that is not individually metered for water for each rental or dwelling unit may install submetering equipment for each individual rental or dwelling unit for the purpose of fairly allocating the cost of each individual rental or dwelling unit's water consumption, including wastewater charges based on water consumption. In addition to other appropriate safeguards for the tenant, the rules shall require that, except as provided by this section, an apartment house owner, manufactured home rental community owner, multiple use facility owner, or condominium manager may not impose on the tenant any extra charges, over and above the cost per gallon and any other applicable taxes and

1 surcharges that are charged by the retail public utility to the
2 owner or manager, and that the rental unit or apartment house owner
3 or manager shall maintain adequate records regarding submetering
4 and make the records available for inspection by the tenant during
5 reasonable business hours. The rules shall allow an owner or
6 manager to charge a tenant a fee for late payment of a submetered
7 water bill if the amount of the fee does not exceed five percent of
8 the bill paid late. All submetering equipment is subject to the
9 rules and standards established by the commission for accuracy,
10 testing, and record keeping of meters installed by utilities and to
11 the meter-testing requirements of Section 13.140 of this code.

12 (e) The commission may authorize a building owner to use
13 submetering equipment that relies on integrated radio based meter
14 reading systems and remote registration in a building plumbing
15 system using submeters that comply with nationally recognized
16 plumbing standards and are as accurate as utility water meters in
17 single application conditions.

18 SECTION 2. Section 13.5031, Water Code, is amended to read
19 as follows:

20 Sec. 13.5031. NONSUBMETERING RULES. Notwithstanding any
21 other law, the commission shall adopt rules and standards governing
22 billing systems or methods used by manufactured home rental
23 community owners, apartment house owners, condominium managers, or
24 owners of other multiple use facilities for prorating or allocating
25 among tenants nonsubmetered master metered utility service costs.
26 In addition to other appropriate safeguards for the tenant, those
27 rules shall require that:

1 (1) the rental agreement contain a clear written
2 description of the method of calculation of the allocation of
3 nonsubmetered master metered utilities for the manufactured home
4 rental community, apartment house, or multiple use facility;

5 (2) the rental agreement contain a statement of the
6 average manufactured home, apartment, or multiple use facility unit
7 monthly bill for all units for any allocation of those utilities for
8 the previous calendar year;

9 (3) except as provided by this section, an owner or
10 condominium manager may not impose additional charges on a tenant
11 in excess of the actual charges imposed on the owner or condominium
12 manager for utility consumption by the manufactured home rental
13 community, apartment house, or multiple use facility;

14 (4) the owner or condominium manager shall maintain
15 adequate records regarding the utility consumption of the
16 manufactured home rental community, apartment house, or multiple
17 use facility, the charges assessed by the retail public utility,
18 and the allocation of the utility costs to the tenants; ~~and~~

19 (5) the owner or condominium manager shall maintain
20 all necessary records concerning utility allocations, including
21 the retail public utility's bills, and shall make the records
22 available for inspection by the tenants during normal business
23 hours; and

24 (6) the owner or condominium manager may charge a
25 tenant a fee for late payment of an allocated water bill if the
26 amount of the fee does not exceed five percent of the bill paid
27 late.

1 SECTION 3. This Act takes effect September 1, 2003.

David Newkum

President of the Senate

Jim Coakley

Speaker of the House

I certify that H.B. No. 2388 was passed by the House on May 5, 2003, by a non-record vote.

Robert Haney
Chief Clerk of the House

I certify that H.B. No. 2388 was passed by the Senate on May 28, 2003, by the following vote: Yeas 31, Nays 0.

Patricia Spaw
Secretary of the Senate

APPROVED: 20 JUN '03

Date

Rick Perry
Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
10:30 AM O'CLOCK

JUN 20 2003
Ann Shea
Secretary of State