

By: King of Zavala

H.B. No. 1495

Substitute the following for H.B. No. 1495:

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C.S.H.B. No. 1495

A BILL TO BE ENTITLED

AN ACT

relating to annual and special meetings of and election procedures for members of boards of directors for water supply or sewer service corporations.

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

SECTION 1. Section 67.0052, Water Code, is amended by amending Subsections (a) and (b) and adding Subsection (d) to read as follows:

(a) To be listed on the ballot as a candidate for a director's position, a person must file an application with the corporation that includes:

(1) the director's position sought, including any position number or other distinguishing number;

(2) if the corporation has 1,500 or more members or shareholders, a petition~~[7]~~ signed by ~~[the lesser of]~~ 20 members or shareholders ~~[or five percent of the members or shareholders,]~~ requesting that the person's name be placed on the ballot as a candidate for that position;

(3) the person's written consent to serve, if elected;

(4) biographical information about the person; and

(5) a statement of the person's qualifications, including a statement that the person has the qualifications prescribed by Section 67.0051.

(b) The application must be filed with the corporation not

1 later than the 45th day before the date of the annual meeting. The  
2 corporation shall notify the members or shareholders of the  
3 application deadline not later than the 30th day before the  
4 deadline.

5 (d) This section applies only to a corporation that provides  
6 retail water or sewer service.

7 SECTION 2. Section 67.0053, Water Code, is amended by  
8 adding Subsection (c) to read as follows:

9 (c) This section:

10 (1) applies only to a corporation that provides retail  
11 water or sewer service; and

12 (2) does not apply to an election in relation to a  
13 candidate for a director's position for which the board has adopted  
14 a resolution under Section 67.0055.

15 SECTION 3. Section 67.0054, Water Code, is amended by  
16 amending Subsection (c) and adding Subsection (g) to read as  
17 follows:

18 (c) For each director's position, the candidate who  
19 receives the highest number of votes or who is the subject of a  
20 resolution described by Section 67.0055 is elected.

21 (g) This section applies only to a corporation that provides  
22 retail water or sewer service.

23 SECTION 4. Subchapter A, Chapter 67, Water Code, is amended  
24 by adding Section 67.0055 to read as follows:

25 Sec. 67.0055. ELECTION OF UNOPPOSED CANDIDATE. (a) This  
26 section applies only to an election for a director's position on a  
27 board of a corporation that provides retail water or sewer service

1 in which a candidate who is to appear on the ballot for the position  
2 is unopposed.

3 (b) The board by resolution may declare a candidate elected  
4 to a director's position if the board certifies in writing that the  
5 candidate is unopposed for the position. A copy of the resolution  
6 shall be posted at the corporation's main office.

7 (c) If a declaration is made under Subsection (b), the  
8 election for that position is not held.

9 (d) If the election for the unopposed candidate would have  
10 been held with an annual meeting of the members or shareholders of  
11 the corporation, the text of the declaration described by  
12 Subsection (b) shall be read into the record at the annual meeting.

13 (e) The ballots used at a separate election that is held at  
14 the same time as an election for an unopposed candidate would have  
15 been held shall include after measures or contested races the  
16 position and name of a candidate declared elected under this  
17 section, under the heading "Unopposed Candidates Declared  
18 Elected."

19 (f) A person may not, by intimidation or by means of  
20 coercion, influence or attempt to influence a person to withdraw as  
21 a candidate or not to file an application for a place on the ballot  
22 so that an election may be canceled.

23 (g) The board may adopt necessary rules or bylaws to  
24 implement this section, including rules or bylaws to ensure the  
25 fairness, integrity, and openness of the process.

26 SECTION 5. The heading to Section 67.007, Water Code, is  
27 amended to read as follows:

1       Sec. 67.007. ANNUAL OR SPECIAL MEETING OF RETAIL  
2 CORPORATION.

3       SECTION 6. Section 67.007, Water Code, is amended by adding  
4 Subsection (e) to read as follows:

5       (e) This section applies only to a corporation that provides  
6 retail water or sewer service.

7       SECTION 7. Subchapter A, Chapter 67, Water Code, is amended  
8 by adding Section 67.0075 to read as follows:

9       Sec. 67.0075. ANNUAL OR SPECIAL MEETING OF OTHER  
10 CORPORATION. A corporation to which Section 67.007 does not apply  
11 shall comply with the annual meeting and director election  
12 provisions prescribed by Chapter 22, Business Organizations Code.

13       SECTION 8. The change in law made by this Act applies only  
14 to an annual or special meeting or a director election held on or  
15 after the 75th day after the effective date of this Act. A meeting  
16 or an election held before the 75th day after the effective date of  
17 this Act is governed by the law in effect when the meeting or  
18 election was held, and that law is continued in effect for that  
19 purpose.

20       SECTION 9. This Act takes effect immediately if it receives  
21 a vote of two-thirds of all the members elected to each house, as  
22 provided by Section 39, Article III, Texas Constitution. If this  
23 Act does not receive the vote necessary for immediate effect, this  
24 Act takes effect September 1, 2013.