

## CHAPTER 653

## S.B. No. 1034

An Act relating to interest on customer deposits for utility service; amending Article 1440a, Revised Statutes, as amended.

*Be it enacted by the Legislature of the State of Texas:*

**SECTION 1.** Article 1440a, Revised Statutes, as amended, is amended to read as follows:

“Article 1440a. *DEPOSIT FOR INSTALLING SERVICE.* Every person, firm, company, corporation, receiver or trustee engaged in the furnishing of water, light, gas or telephone service which requires the payment on the part of the user of such service a deposit of money as a condition precedent to furnishing any such service, shall pay [~~six per cent (6%)~~] interest [~~per annum~~] on such deposit to the one making same, or to his heirs or assigns, from the time of such deposit, the same to be paid annually on demand, or sooner if such service be discontinued. *The rate of interest for each calendar year shall be established by the Public Utility Commission of Texas on December 1, or the next regular work day if December 1 falls on a Saturday, Sunday, or legal holiday, of the preceding year at a rate not to exceed eighty-five per cent (85%) of the average rate paid over the previous 12-month period on United States Treasury bills with a 12-month maturity date; provided, in no event shall the rate of interest set by the commission be less than six per cent (6%) per annum or greater than twelve per cent (12%) per annum.* When such service is discontinued, such deposit, together with any unpaid interest thereon, or such part of such deposit and unpaid interest not consumed in bills due for such service, shall be returned to such depositor, his heirs or legal representatives. Whoever violates any provision of this Article shall be fined not less than Twenty-five Dollars (\$25) nor more than Two Hundred Dollars (\$200), or be confined in jail not less than six (6) months nor more than one year, or both.”

**SECTION 2.** This Act takes effect September 1, 1985.

**SECTION 3.** The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended.

Passed the Senate on May 6, 1985, by a viva-voce vote; passed the House on May 21, 1985, by a non-record vote.

Approved: June 14, 1985

Effective: September 1, 1985