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MEMORANDUM

To: Jerry F. Homan
Brian D. Breeding

From: Jennifer B. Seipel

Date: August 11, 2021

Re: House Bill 872

During the 87th regular legislative session, the Texas Legislature enacted House Bill 872, which amended the Texas Utilities Code to protect utility customers' personal information from unnecessary disclosure to certain third parties. The purpose of this memorandum is to explain how the legislation affects the ways in which you conduct business on behalf of municipal utility and other special purpose districts.

I. The Presumption of Confidentiality of Customer Information.

Prior to the passage of House Bill 872, Section 182.052 of the Utilities Code prevented a government-operated utility from disclosing personal information in a customer's account record, including information related to the customer's usage or billing, *if* the customer requested that the utility keep such information confidential. Effective immediately, House Bill 872 amends Section 182.052 of the Utilities Code to require a utility to keep this same customer information confidential *unless* the customer elects to allow such information to be disclosed.¹

From a practical perspective, the consensus in the industry appears to be that, in order to prevent the unlawful disclosure of confidential customer information, the delinquent accounts portion of an operator's report made available to the public should include only the customers' account numbers and the amounts owed.²

¹ Tex. Util. Code Ann. §182.052(a).

² House Bill 872 did not amend Section 182.054 of the Utilities Code, which sets forth the exceptions under which a utility is permitted to disclose customer information. As such, a district remains allowed to disclose customer information in a customer's account record to board members, consumer reporting agencies, and contractors for the district, among other people and entities. See *id.* §182.054.

II. Notice of Right to Allow Disclosure of Otherwise Confidential Information.

Under the new law, a customer may opt to make his personal information not confidential by completing and delivering a form or other written request to the utility.³ In furtherance of this right, a utility *must* include with a bill sent to each of its customers or post on the utility's website (i) a notice of the customer's right to request disclosure of his or her information and (ii) a form by which the customer may make such request.⁴ With the law having already gone into effect, this notice must immediately be made available on your districts' websites or included on customers' bills. A form notice is included as an attachment to this memorandum.

³ *Id.* §187.052(b).

⁴ *Id.* §187.052(c). Additionally, House Bill 872 repeals Section 182.053 of the Utilities Code, which allowed a government-operated utility to charge a fee to customers who wanted their information kept confidential under the former Section 182.052(a)

**HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61
NOTICE ABOUT CONFIDENTIALITY OF CUSTOMER INFORMATION**

Chapter 182 of the Texas Utilities Code as amended in 2021 by House Bill 872 provides that a government-operated utility such as Harris County Fresh Water Supply District No. 61 ("District") may not disclose personal information (customer's address, telephone number, and social security number) in a customer's account, or any information related to the volume or units of utility usage or amounts billed or collected for such utility usage, unless the customer elects to allow such information to be disclosed.

The Utilities Code requires the District to provide notice of the customer's right to allow disclosure of his or her information. Therefore, if you wish to allow disclosure of your personal information, please check the box below and return this form to the District.

NOTE: The District is allowed to disclose information in a customer's account record to federal, state or local government officials; to District employees, officials and operations personnel; to consumer reporting agencies; to a contractor or subcontractor approved by and providing services to the District, the state, a political subdivision of the state, or the United States; or to any other provider of utility services.

Authorization to Disclose Customer Information

PLEASE CHECK BOX IF ALLOWING DISCLOSURE OF PERSONAL INFORMATION

The undersigned customer of Harris County Fresh Water Supply District No. 61 allows the District to disclose the customer's account information and personal information as identified by Texas Utilities Code.

By: _____
Signature

Date

Printed Name and Address

RETURN THIS FORM TO:

Harris County Fresh Water Supply District No. 61
13205 Cypress N. Houston Road
Cypress, Texas 77429