

## **BILL ANALYSIS**

Senate Research Center

H.B. 735  
By: Straus et al. (Williams)  
Finance  
5/16/2007  
Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Current law imposes an annual assessment on each telecommunications utility and each commercial mobile service provider doing business in Texas to finance the Telecommunications Infrastructure Fund (fund). The fund was used to provide grants and loans to purchase equipment and improve the telecommunication infrastructure for programs such as distance learning, library information sharing, and telemedicine or tele-health services. The administration of these grants was overseen by the Telecommunications Infrastructure Fund Board (board). Utilities have passed the assessment cost to their customers as the fund reimbursement fee.

In 2003, as the fund neared its statutory cap, the legislature determined that no new grant monies would be awarded from the fund, and the governor eliminated the board's oversight function. That same year, the Texas Sunset Advisory Commission recommended abolishing the board and its enabling legislation. As a result, the assessments imposed on utilities are no longer being used for the fund as the legislature originally intended.

H.B. 735 repeals the fund and the board, and eliminates the associated assessment on utilities.

### **RULEMAKING AUTHORITY**

Rulemaking authority previously granted to the Telecommunication Infrastructure Fund Board and the Office of Rural Community Affairs is rescinded in SECTION 6 (Section 487.652, Government Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. (a) Repealers: (1) Subchapter E (Internet Access), Chapter 32, Education Code; and (2) Section 441.1385, (Limitation on Certain Funds), Government Code, effective date: upon passage or September 1, 2007.

(b) Repealer: Subchapter C (Telecommunications Infrastructure Fund), Chapter 57, Utilities Code, effective date: October 1, 2007.

SECTION 2. Amends Section 21.0483(c), Education Code, by deleting existing text referring to the Telecommunications Infrastructure Fund Board (board) as cooperating in the development of an examination toward a master technology teacher certificate.

SECTION 3. Amends Section 32.005(c), Education Code, by deleting existing text referring to availability of funds for certain purposes from the telecommunications infrastructure fund (fund).

SECTION 4. Amends Section 487.054(a), Government Code, by deleting existing text referring to the presiding officer of the board meeting with other public officials to discuss rural issues. Makes conforming changes.

SECTION 5. Amends Section 487.651, Government Code, by deleting the existing definition of "board."

SECTION 6. Amends Section 487.652, Government Code, as follows:

Sec. 487.652. New heading: RULES GOVERNING PROGRAM. Deletes existing text referring to the Office of Rural Community Affairs (office) and the board adopting by rule a memorandum of understanding establishing the telecommunications alliance program. Deletes existing text referring to any definitions taken from the fund rules to be repealed in this Act.

SECTION 7. Amends Section 487.653, Government Code, by deleting existing text requiring the board to jointly submit a report with the office regarding grant activities and grant recipients to the legislature.

SECTION 8. Amends Section 531.02172(b), Government Code, by deleting existing text placing a representative of the board on the Telemedicine Advisory Committee.

SECTION 9. Amends Section 654.011(a), Government Code, by deleting existing text making the board an agency of public education subject to the position classification plan and salary rates of the General Appropriations Act.

SECTION 10. Amends Section 2054.201(a), Government Code, by deleting existing text placing the executive director of the board on the telecommunications planning and oversight council. Makes a conforming change.

SECTION 11. Amends Section 58.252(2), Utilities Code, to redefine "library."

SECTION 12. Amends Section 58.253(a), Utilities Code, as amended by Section 9, Chapter 959, Section 4, Chapter 1220, and Section 7, Chapter 1350, Acts of the 77th Legislature, Regular Session, 2001, to make conforming changes.

SECTION 13. Amends Section 59.071(2), Utilities Code, to make conforming changes.

SECTION 14. (a) Provides that, if this Act take effect immediately, the assessment imposed under Section 57.048, Utilities Code, for the calendar quarter ending July 2007, is due on the last day of August 2007, is prohibited from being imposed after the end of said calendar quarter, and Section 57.048, Utilities Code, is continued in effect in relation to that assessment.

(b) Provides that, if this Act takes effect on September 1, 2007, the assessment imposed under Section 57.048, Utilities Code, for the calendar quarter ending September 2007, is due on the last day of October 2007, is prohibited from being imposed after the end of said calendar quarter, and Section 57.048, Utilities Code, is continued in effect in relation to that assessment.

(c) Authorizes a telecommunications utility or commercial mobile service provider subject to Section 57.048, Utilities Code, regardless of the effective date of this Act, to recover the amount of the assessment imposed under Subsection (f) of that section from the utility's customers, and provides that the former law is continued in effect for that purpose.

SECTION 15. Effective date: upon passage or September 1, 2007.