

SUBJECT: Economic development authority for border electric cooperatives

COMMITTEE: State Affairs — committee substitute recommended

VOTE: 11 ayes — Wolens, S. Turner, Carter, Counts, Craddick, Danburg, Hilbert, Longoria, McCall, Ramsay, Stiles
0 nays
4 absent — Alvarado, Brimer, Hunter, D. Jones

WITNESSES: For — Dan Lewis, Rio Grande Electric Cooperative; Gary Leonard
Against — None

DIGEST: CSHB 3386 would allow electric cooperatives located on the border with Mexico to provide, either directly or through an affiliate, utility related service, including water and sewer services, Internet and telephone answering services, but not telephone service regulated by the Public Utility Commission. The cooperative could manage or operate services to or for another corporation or entity providing rural electrification, and could engage in economic and industrial development promotion as a borrower or lender under a federal program.

The electric cooperative would have all necessary powers to carry out these services, including borrowing money.

The bill would take immediate effect if finally approved by a two-thirds record vote of the membership in each house.

SUPPORTERS SAY: CSHB 3386 would allow three electric cooperatives — Magic Valley Electric Cooperative, Medina Electric Cooperative and Rio Grande Electric Cooperative — and their affiliates to provide needed water and sewer services to rural areas, including colonias, in their service area, as well as telecommunications services. The electric cooperative is the logical entity to provide such services, which are sorely lacking in these rural areas.

Cooperatives have access to low cost federal funds for providing clean water and waste water treatment systems from the federal Rural Utility Services Administration. Furthermore, federal funds are available to cooperative for economic development purposes. These electric cooperatives are in a position to help these borderland rural areas. Local city and county government are without sufficient resources to solve some of the pressing infrastructure needs of these areas. There is a significant lack of utility infrastructure along the border large due to the fact that these are economically depressed areas. This bill would give the area another resource to provide needed services and help economic development in these areas.

OPPONENTS
SAY:

No apparent opposition.

NOTES:

The original version of the bill would have amended a different section of the Electrical Cooperative Corporation Act.