

BILL ANALYSIS

Senate Research Center
80R830 JJT-D

S.B. 294
By: Williams
Finance
2/21/2007
As Filed

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.

As proposed, S.B. 294 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previously granted to the Telecommunication Infrastructure Fund Board and the Office of Rural Community Affairs is rescinded in SECTION 6 (Section 487.652, Government Code) of this bill.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. Repealers:

- (1) Subchapter C (Telecommunications Infrastructure Fund), Chapter 57, Utilities Code.
- (2) Section 32.202, (regarding limitation on funds for distance learning unless the school has an Internet safety policy in place), Education Code.
- (3) Section 441.1385, (regarding limitation on funds for distance learning unless the school has an Internet safety policy in place), Government Code.

SECTION 2. Amends Section 21.0483(c), Education Code, by deleting existing text referencing 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. Specifies that the annual assessment on each telecommunications utility and each commercial mobile service provider, as well as any collections caused due to liabilities in that assessment, will continue for the calendar quarter ending in September 2007 and is due on the last day of October 2007. Authorizes a telecommunications utility and each commercial mobile service provider to recoup the amount paid for the annual assessment and any connected collections through a monthly billing process.

SECTION 15. Effective date: October 1, 2007, except for the changes to the annual assessment made by this Act, for which the effective date is upon passage or the 91st day after adjournment.