

BILL ANALYSIS

Senate Research Center

H.B. 7
By: Darby et al. (Williams)
Finance
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

For more than 20 years, certain unspent dedicated revenue in the general revenue fund has counted toward overall budget certification. There is concern that these amounts have grown substantially during that time, and there are additional concerns regarding allocations from the system benefit fund. H.B. 7 seeks to address the amounts, availability, and use of certain statutorily dedicated revenue and accounts and to reduce or affect the amounts or rates of certain statutorily dedicated fees and assessments.

H.B. 7 amends current law relating to the amounts, availability, and use of certain statutorily dedicated revenue and accounts, reduces or affects the amounts or rates of certain statutorily dedicated fees and assessments, and imposes certain court costs.

[**Note:** While the statutory reference in this bill is to the Texas Natural Resource Conservation Commission (TNRCC), the following amendments affect the Texas Commission on Environmental Quality, as the successor agency to TNRCC.]

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Texas Commission on Environmental Quality in SECTION 17 (Section 501.138, Transportation Code) of this bill.

Rulemaking authority previously granted to the Public Utility Commission of Texas (PUC) is modified in SECTION 19 (Section 17.007, Utilities Code) and SECTION 21 (Section 39.9035, Utilities Code) of this bill.

Rulemaking authority is expressly granted to PUC in SECTION 21 (Sections 39.903 and 39.9035, Utilities Code) and SECTION 29 of this bill.

Rulemaking authority previously granted to PUC is rescinded in SECTION 21 (Section 39.9035, Utilities Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Article 102.018, Code of Criminal Procedure, by adding Subsection (e), as follows:

(e) Requires the court to impose a cost of \$10 on a defendant on the conviction of an offense relating to the operating of a motor vehicle while intoxicated, as defined by Section 49.09(c)(1)(A) (relating to defining "offense relating to the operating of a motor vehicle while intoxicated" to mean an offense under Section 49.04 or 49.045) or (B) (relating to defining "offense relating to the operating of a motor vehicle while intoxicated" to mean an offense under Section 49.07 or 49.08, if the operated vehicle was a motor vehicle), Penal Code. Provides that a cost imposed under this subsection is in addition to a cost imposed under Subsection (a) (relating to requiring the court to impose a \$15 cost on a defendant if, subsequent to the arrest of the defendant, a law enforcement agency visually recorded the defendant with an electronic device), (b) (relating to requiring the court to impose as a cost of court on the defendant an amount that is equal to the cost of an evaluation of the defendant performed under Section 13(a), Article

42.12, of this code), or (c) (relating to providing that if a person commits an offense under Chapter 49, Penal Code, and as a direct result of the offense the person causes an incident resulting in an accident response by a public agency, the person is liable on conviction for the offense for the reasonable expense to the agency of the accident response). Requires that each cost collected under this subsection be deposited in the account to the credit of the office of the governor as provided by Section 401.106, Government Code, for the prevention of driving while intoxicated.

SECTION 2. Amends Subchapter B, Chapter 102, Government Code, by adding Section 102.0215, as follows:

Sec. 102.0215. ADDITIONAL COURT COSTS: CODE OF CRIMINAL PROCEDURE. Requires a defendant who is convicted of an offense relating to the operating of a motor vehicle while intoxicated to pay a cost on conviction, in addition to all other costs, to help fund the prevention of driving while intoxicated under Section 401.106, Government Code (Art. 102.018(e), Code of Criminal Procedure) . . . \$10.

SECTION 3. Amends Chapter 322, Government Code, by adding Section 322.024, as follows:

Sec. 322.024. REDUCTION OF RELIANCE ON AVAILABLE DEDICATED REVENUE FOR BUDGET CERTIFICATION. (a) Defines "available dedicated revenue" in this section.

(b) Requires the Legislative Budget Board (LBB) to:

(1) develop and implement a process to review new legislative enactments that create dedicated revenue and the appropriation and accumulation of dedicated revenue and available dedicated revenue;

(2) develop and implement tools to evaluate the use of available dedicated revenue for state government financing and budgeting; and

(3) develop specific and detailed recommendations on actions the legislature is authorized to reasonably take to reduce state government's reliance on available dedicated revenue for the purposes of certification under Section 403.121 (Contents of Estimate) as authorized by Section 403.095 (Use of Dedicated Revenue).

(c) Requires LBB to incorporate into LBB's budget recommendations appropriate measures to reduce state government's reliance on available dedicated revenue for the purposes of certification under Section 403.121 as authorized by Section 403.095 and to include with the budget recommendations plans for further reducing state government's reliance on available dedicated revenue for those purposes for the succeeding six years.

(d) Requires LBB, for the purpose of reduction of reliance on available dedicated revenue for budget certification, to not set the rate of growth of appropriation as required by Section 316.001 (Limit) to exceed the lesser of:

(1) the revenue estimate required by Section 403.121;

(2) the estimated rate of growth of the state's economy pursuant to Section 316.002 (Duties of Legislative Budget Board); or

(3) a rate equal to the sum of the estimated biennial rate of growth of the state's population and the estimated biennial rate of monetary inflation in the state.

(e) Requires LBB to determine the estimated biennial rate of growth of the state's population based on the average rate of growth during the preceding six years

according to United States Census Bureau estimates as certified by the comptroller of public accounts of the State of Texas (comptroller). Requires LBB to determine the estimated biennial rate of monetary inflation in the state based on the average rate of change during the preceding six years of the effective consumer price index for the state. Provides that for purposes of this subsection, the effective consumer price index for the state is the average of the consumer price indexes as determined by the United States Department of Labor for the Corpus Christi metropolitan area and for the Dallas/Fort Worth metropolitan area.

(f) Requires LBB to consult the comptroller as necessary to accomplish the objectives of Subsections (b) and (c).

SECTION 4. Amends Subchapter F, Chapter 401, Government Code, by adding Section 401.106, as follows:

Sec. 401.106. DRIVING WHILE INTOXICATED PREVENTION; COLLECTION OF CERTAIN FEES. (a) Defines "offense relating to the operating of a motor vehicle while intoxicated" in this section.

(b) Requires that court costs imposed under Article 102.018(e), Code of Criminal Procedure, be deposited in a general revenue dedicated account to the credit of the office of the governor to be used and authorizes it to be appropriated only for the support of programs for the prevention of offenses relating to the operating of a motor vehicle while intoxicated in this state.

SECTION 5. Amends Subchapter F, Chapter 403, Government Code, by adding Section 403.0956, as follows:

Sec. 403.0956. REALLOCATION OF INTEREST ACCRUED ON CERTAIN DEDICATED REVENUE. Provides that notwithstanding any other law, all interest or other earnings that accrue on all revenue held in an account in the general revenue fund any part of which Section 403.095 makes available for certification under Section 403.121 are available for any general governmental purpose, and the comptroller is required to deposit the interest and earnings to the credit of the general revenue fund. Provides that this section does not apply to:

(1) interest or earnings on revenue deposited in accordance with Section 51.008 (Certain Receipts To Be Deposited in State Treasury), Education Code; or

(2) an account that accrues interest or other earnings on deposits of state or federal money the diversion of which is specifically excluded by state or federal law.

SECTION 6. Amends Sections 361.013(a) and (f), Health and Safety Code, as follows:

(a) Provides that the fee that Texas Natural Resource Conservation Commission (TNRCC) charges on all solid waste that is disposed of within this state is 94 cents per ton, rather than \$1.25 per ton, received for disposal at a municipal solid waste landfill if the solid waste is measured by weight. Provides that if the solid waste is measured by volume, the fee for compacted solid waste is 30 cents per cubic yard and the fee for uncompacted solid waste is 19 cents per cubic yard received for disposal at a municipal solid waste landfill, rather than providing that if the solid waste is measured by volume, the fee for compacted solid waste is 40 cents per cubic yard or, for uncompacted solid waste is 25 cents per cubic yard received for disposal at a municipal solid waste landfill.

(f) Prohibits TNRCC from charging a fee under Subsection (a) for source separated materials that are processed at a composting and mulch processing facility, including a composting and mulch processing facility located at a permitted landfill site, rather than prohibiting TNRCC from charging a fee under Subsection (a) for source separated yard waste materials that are composted at a composting facility, including a composting facility located at a permitted landfill site. Requires TNRCC to credit any fee payment

due under Subsection (a) for any material received and processed to compost or mulch product at the facility, rather than for any material received and converted to compost or product for composting through a composting process. Provides that any compost or mulch product that is produced at a composting and mulch processing facility that is used in the operation of the facility or is disposed of in a landfill, rather than any compost or product for composting that is not used as compost and is deposited in a landfill, is not exempt from the fee.

SECTION 7. Amends Sections 361.014(a) and (b), Health and Safety Code, as follows:

(a) Provides that 66.7 percent of the revenue received by TNRCC and deposited in the state treasury to the credit of TNRCC is dedicated to TNRCC's municipal solid waste permitting programs, enforcement programs, and site remediation programs, and to pay for activities that will enhance the state's solid waste management program. Requires TNRCC to issue a biennial report to the legislature describing in detail how the money was spent. Requires that the activities to enhance the state's solid waste management program include certain activities. Deletes existing text providing that half of the revenue is dedicated to TNRCC's municipal solid waste permitting and enforcement programs and related support activities and to pay for activities that will enhance the state's solid waste management program, including certain activities.

(b) Provides that of the revenue received by TNRCC under Section 361.013 (Solid Waste Disposal and Transportation Fees), 33.3 percent, rather than half of the revenue, is dedicated to local and regional solid waste projects consistent with regional plans approved by TNRCC in accordance with this chapter (Solid Waste Disposal Act) and to update and maintain those plans.

SECTION 8. Amends Section 361.133, Health and Safety Code, by adding Subsection (c-1), as follows:

(c-1) Authorizes that money in the account attributable to fees imposed under Section 361.138 (Fee on the Sale of Batteries), notwithstanding Subsection (c) (relating to authorizing TNRCC to use the money collected and deposited to the credit of the account under this section, including interest credited under Subsection (b)(4), only for certain purposes), be used for environmental remediation at the site of a closed battery recycling facility located in the municipal boundaries of a municipality if the municipality submits to TNRCC a voluntary compliance plan for the site and is paying or has paid for part of the costs of the environmental remediation of the site. Provides that this subsection expires September 30, 2014.

SECTION 9. Amends Section 771.0711(c), Health and Safety Code, to authorize that money collected under Subsection (b) be used only for services related to 9-1-1 services, including automatic number identification and automatic location information services, or as authorized by Section 771.079(c).

SECTION 10. Amends Section 771.079, Health and Safety Code, by amending Subsection (c) and adding Subsection (c-1), as follows:

(c) Authorizes money in the account, except as provided by Subsection (c-1), to be appropriated only to TNRCC for planning, development, provision, or enhancement of the effectiveness of 9-1-1 service or for contracts with regional planning commissions for 9-1-1 service, including for the purposes of:

- (1) maintaining 9-1-1 service levels while providing for a transition to a system capable of addressing newer technologies and capable of addressing other needs;
- (2) planning and deploying statewide, regional, and local emergency network systems; and
- (3) updating geospatial mapping technologies.

(c-1) Authorizes the legislature to appropriate money from the account to provide assistance to volunteer fire departments under Subchapter G (Rural Volunteer Fire Department Assistance Program), Chapter 614 (Peace Officers and Fire Fighters), Government Code, only if:

(1) the purposes described by Subsection (c) have been accomplished or are fully funded for the fiscal period for which an appropriation under this subsection is made; and

(2) all other sources of revenue dedicated for the purposes of providing assistance to volunteer fire departments under Subchapter G, Chapter 614, Government Code, are obligated for the fiscal period for which an appropriation under this subsection is made.

SECTION 11. Amends Section 780.003(a), Health and Safety Code, as follows:

(a) Authorizes money in the designated trauma facility and emergency medical services account to be appropriated only to:

(1) the Department of State Health Services for the purposes described by Section 780.004 (Payments From the Account); or

(2) the Texas Higher Education Coordinating Board for graduate-level medical education programs or nursing education programs.

SECTION 12. Amends Section 2007.002, Insurance Code, as follows:

Sec. 2007.002. ASSESSMENT. Requires the comptroller to assess against all insurers to which this chapter (Assessment For Rural Fire Protection) applies amounts for each state fiscal year necessary, as determined by the commissioner of insurance, to collect a combined total equal to the total amount that the General Appropriations Act appropriates from the volunteer fire department assistance fund account in the general revenue fund for that state fiscal year. Deletes existing text requiring the comptroller to assess against all insurers to which this chapter applies a combined total of \$30 million for each 12-month period.

SECTION 13. Amends Section 81.067(c), Natural Resources Code, to provide that the oil and gas regulation and cleanup fund consists of, in addition to other fees, costs, expenses, and contributions, fees collected under Section 91.0115.

SECTION 14. Amends Section 81.068, Natural Resources Code, to authorize money in the oil and gas regulation and cleanup fund to be used by the Railroad Commission of Texas (railroad commission) or its employees or agents for any purpose related to the regulation of oil and gas development, including oil and gas monitoring and inspections, oil and gas remediation, oil and gas well plugging, public information and services related to those activities, the study and evaluation of electronic access to geologic data and surface casing depths necessary to protect usable groundwater in this state, and administrative costs and state benefits for personnel involved in those activities.

SECTION 15. Amends Section 91.0115, Natural Resources Code, by amending Subsection (c) and adding Subsection (d), as follows:

(c) Deletes existing text authorizing that money collected under this subsection be used to study and evaluate electronic access to geologic data and surface casing depths under Section 91.020 (Electronic Geologic Data).

(d) Requires that the fees collected under this section be deposited in the oil and gas regulation and cleanup fund.

SECTION 16. Amends Section 151.801(c-1), Tax Code, as follows:

(c-1) Prohibits the comptroller, except as provided by this subsection, from crediting to the Parks and Wildlife Department (TPWD) or the Texas Historical Commission (THC) any amounts under this section that are in excess of the amounts appropriated to TPWD or THC for that biennium, rather than prohibiting the comptroller from crediting to TPWD or THC any amounts under this section that are in excess of the amounts appropriated to TPWD or THC for that biennium, less any other amounts to which TPWD or THC is entitled. Requires the comptroller, in addition to amounts appropriated to TPWD from the proceeds described by Subsection (c), to transfer to appropriate department accounts amounts from those proceeds sufficient to fund the state contributions for employee benefits of TPWD employees whose salaries or wages are paid from TPWD accounts receiving the transfers.

SECTION 17. Amends Section 501.138(b-2), Transportation Code, as follows:

(b-2) Requires the comptroller to establish a record of the amount of fees deposited to the credit of the Texas Mobility Fund under Subsection (b-1) (relating to requiring that fees collected under Subsection (b) be sent to the comptroller to be deposited to the credit of the Texas Mobility Fund, except that \$5 of each fee imposed under Subsection (a)(1) and deposited on or after September 1, 2008, and before September 1, 2015, is required to be deposited to the credit of the Texas emissions reduction plan fund) and to monitor transfers to and from the Texas emissions reduction plan fund. Requires the Texas Department of Motor Vehicles (TxDMV), on or before the fifth workday of each month, to remit to the comptroller for deposit to the credit of the Texas emissions reduction plan fund an amount of money, not to exceed the amount of the fees deposited by the comptroller to the credit of the Texas Mobility Fund under Subsection (b-1) in the preceding month, the comptroller determines is necessary to meet amounts appropriated from the Texas emissions reduction plan fund or, after consultation with the Texas Commission on Environmental Quality (TCEQ), if a fee is imposed on stationary sources in a county located in a nonattainment area as provided by 42 U.S.C. Section 7511d, an amount of money not to exceed the amount of the total of fees attributable to applicants for titles, other than the state or political subdivisions of the state, who reside in a county located in a nonattainment area or in an affected county, as described by Subsection (a)(1) (relating to requiring an applicant for a title, other than the state or a political subdivision of the state, to pay a certain fee). Authorizes the Texas Transportation Commission (TTC) to designate for congestion mitigation projects or for deposit to the Texas rail relocation fund eligible amounts retained in the state highway fund because the amounts were not required to be remitted under this subsection on the condition that TCEQ, after a public hearing, finds that the use of the funds for those purposes will be at least as effective as other eligible uses of those funds under the Texas emissions reduction plan in maintaining or attaining compliance with the federal Clean Air Act and notifies TTC of that finding. Requires that the amounts be deposited to the credit of the Texas emissions reduction plan fund unless that condition is met. Requires TCEQ by rule to adopt criteria for making the finding required by this subsection. Deletes existing text requiring TxDMV, on or before the fifth workday of each month, to remit to the comptroller for deposit to the credit of the Texas emissions reduction plan fund an amount of money equal to the amount of the fees deposited by the comptroller to the credit of the Texas Mobility Fund under Subsection (b-1) in the preceding month.

SECTION 18. Amends Subchapter G, Chapter 504, Transportation Code, by adding Section 504.6012, as follows:

Sec. 504.6012. ELIMINATION OF DEDICATED REVENUE ACCOUNTS; REVENUES IN TRUST. (a) Requires the comptroller, notwithstanding any other provision of this subchapter, not later than September 30, 2013, to eliminate all dedicated accounts established for specialty license plates under this subchapter and to set aside the balances of those dedicated accounts so that the balances may be appropriated only for the purposes intended as provided by the dedications.

(b) Requires that the portion of a fee payable under this subchapter that is designated for deposit to a dedicated account, on and after September 1, 2013, be paid instead to the credit of an account in a trust fund created by the comptroller outside the general revenue fund. Requires the comptroller to administer the trust fund and accounts and to allocate the corpus and earnings on each account only in accordance with the dedications of the revenue deposited to the trust fund accounts.

SECTION 19. Amends Section 17.007, Utilities Code, as follows:

Sec. 17.007. ELIGIBILITY PROCESS FOR CUSTOMER SERVICE DISCOUNTS. Requires the Public Utility Commission of Texas (PUC) by rule to provide for an integrated eligibility process for customer service discounts, including discounts under Sections 39.9035 and 55.015 (Lifeline Service), rather than Sections 39.903 and 55.015.

SECTION 20. Amends Section 39.002, Utilities Code, to provide that this chapter, other than Sections 39.155 (Commission Assessment of Market Power), 39.157(e) (relating to requiring PUC by rule to establish a certain code of conduct; requiring the adopted rules to be consistent with Chapters 40 and 41; and prohibiting the rules from being more restrictive than the rules adopted under Subsection (d)), 39.203 (Transmission and Distribution Service), 39.903, 39.9035, 39.904 (Goal for Renewable Energy), 39.9051 (Energy Efficiency for Municipally Owned Utilities), 39.9052 (Energy Efficiency for Electric Cooperatives), and 39.914(e) (relating to requiring a municipally owned utility or electric cooperative to consider and complete the determinations regarding net metering service as provided by the federal Public Utility Regulatory Policies Act of 1978 (16 U.S.C. Section 2601 et seq., as amended by the federal Energy Policy Act of 2005 (Pub. L. No. 109-58)) after proceedings conducted in accordance with that law), does not apply to a municipally owned utility or an electric cooperative.

SECTION 21. Amends Subchapter Z, Chapter 39, Utilities Code, by amending Section 39.903 and adding Section 39.9035, as follows:

Sec. 39.903. SYSTEM BENEFIT FUND. (a) Authorizes money in the system benefit fund to be appropriated only for the purposes provided by this section, rather than this section or other law.

(b) Provides that the system benefit fund is financed by a nonbypassable system benefit fund fee set by PUC in an amount not to exceed two cents per megawatt hour, rather than 65 cents per megawatt hour.

(c) Prohibits the nonbypassable system benefit fund fee from being imposed on the retail electric customers of a municipally owned utility or electric cooperative before the sixth month preceding the date on which the utility or cooperative implements customer choice. Requires that money distributed from the system benefit fund to a municipally owned utility or an electric cooperative be proportional to the nonbypassable fee paid by the municipally owned utility or the electric cooperative, rather than requiring that money distributed from the system benefit fund to a municipally owned utility or an electric cooperative be proportional to the nonbypassable fee paid by the municipally owned utility or the electric cooperative, subject to the reimbursement provided by Subsection (i). Requires PUC, on request by a municipally owned utility or electric cooperative, to reduce the nonbypassable fee imposed on retail electric customers served by the municipally owned utility or electric cooperative by an amount equal to the amount provided by the municipally owned utility or electric cooperative or its ratepayers for local programs that educate customers about the retail electric market in a neutral and nonpromotional manner, rather than requiring PUC, on request by a municipally owned utility or electric cooperative, to reduce the nonbypassable fee imposed on retail electric customers served by the municipally owned utility or electric cooperative by an amount equal to the amount provided by the municipally owned utility or electric cooperative or its ratepayers for local low-income programs and local programs that educate customers about the retail

electric market in a neutral and nonpromotional manner. Requires PUC to adopt rules providing for reimbursements from appropriated system benefit fund money for activities authorized for funding under this section.

(d) Makes no change to this subsection.

(e) Authorizes money in the system benefit fund to be appropriated to provide funding solely for certain regulatory purposes. Deletes existing text authorizing money in the system benefit fund to be appropriated to provide funding solely for the certain regulatory purposes, including programs to assist low-income electric customers by providing the 10 percent reduced rate prescribed by Subsection (h) and provide one-time bill payment assistance to electric customers who are or who have in their households one or more seriously ill or disabled low-income persons and who have been threatened with disconnection for nonpayment; programs to assist low-income electric customers by providing the targeted energy efficiency programs described by Subsection (f)(2); and programs to assist low-income electric customers by providing the 20 percent reduced rate prescribed by Subsection (h).

(f) Authorizes the legislature to appropriate from the system benefit fund not more than \$100 million each state fiscal biennium for the purposes of Subsection (e)(4) (relating to authorizing that the money in the system benefit fund be appropriated to provide funding for programs to assist low-income electric customers by providing weatherization or other energy efficiency programs). Requires that money appropriated from the system benefit fund for the purposes of Subsection (e)(4) be transferred to the low-income electric customers program fund for disbursement under Section 39.9035.

Sec. 39.9035. LOW-INCOME ELECTRIC CUSTOMERS PROGRAM FUND. (a) Defines "critical care residential customer" in this section.

(b) Requires PUC to adopt and enforce rules requiring transmission and distribution utilities to establish a low-income electric customers program fund under PUC oversight. Requires that the rules provide for:

- (1) the fund to be established as a trust fund outside of the state treasury;
- (2) the fund to be held by an administrator selected by the transmission and distribution utilities in accordance with standards adopted by PUC; and
- (3) any interest earned on money in the fund to be credited to the fund.

(c) Provides that the administrator serves as trustee of the fund for the benefit of low-income electric customer programs described by this section, and in accordance with PUC rules, the administrator is authorized to make any payments or reimbursements from the fund to further the programs. Requires PUC rules to prescribe the maximum percentage of money available in the fund that is authorized to be used for the expenses of administering the fund and for annual independent auditing of the fund and expenditures and other transactions related to the fund. Authorizes PUC or its agents to at any time examine any records related to the fund or investigate any fund-related expenditures or expenses. Requires the administrator and each transmission and distribution utility to fully cooperate with any investigation regarding the fund conducted by PUC or its agents.

(d) Requires PUC by rule to impose a nonbypassable low-income electric customers program fund fee to be set by PUC in an amount not to exceed 50 cents per megawatt hour, allocated to customers based on the amount of kilowatt hours used.

(e) Requires PUC to provide for a nonbypassable fee in the same amount as the fee imposed under Subsection (d) to be imposed on the retail electric customers of a municipally owned utility or electric cooperative beginning on the first day of the sixth month preceding the date on which the utility or cooperative implements customer choice. Requires that money distributed from the system benefit fund to a municipally owned utility or an electric cooperative be proportional to the nonbypassable fee paid by the municipally owned utility or the electric cooperative. Requires PUC, on request by a municipally owned utility or electric cooperative, to reduce the nonbypassable fee imposed on retail electric customers served by the municipally owned utility or electric cooperative by an amount equal to the amount provided by the municipally owned utility or electric cooperative or its ratepayers for local low-income programs.

(f) Requires PUC rules adopted under this section to provide that the low-income electric customers program fund fees collected for the programs described by this section are collected through the rates of the transmission and distribution service providers and deposited into the low-income electric customers program fund.

(g) Authorizes money in the low-income electric customers program fund, except as provided by Subsection (h), to be spent only for the following regulatory purposes and requires that it be allocated as follows:

(1) not more than 96 percent of the money available in the fund is required to be used to provide a 15 percent reduced rate for low-income households for each billing period during the months of May through October of each year; and

(2) not more than 4 percent of the money available in the fund is required to be used for bill payment assistance for critical care residential customers with total household incomes not to exceed 400 percent of the federal poverty guidelines.

(h) Authorizes that only money appropriated for the purposes of Section 39.903(e)(4) and transferred to the fund be used to finance low-income electric customer weatherization programs under this section. Requires that the programs be operated by a statewide network of federal weatherization program providers under federal weatherization program guidelines and authorizes that the programs include related low-income energy efficiency programs.

Deletes existing Section 39.903(f) requiring PUC to adopt certain rules and prohibiting programs to assist low-income electric customers on the introduction of customer choice from being targeted to certain areas.

(i) Redesignates existing Section 39.903(g) as Section 39.9035(i) and makes no further change.

(j) Redesignates existing Section 39.903(h) as Section 39.9035(j). Requires PUC to adopt rules for a retail electric provider to determine a reduced rate for eligible customers to be discounted off the standard retail service package as approved by PUC under Section 39.106 (Provider of Last Resort) and to require a retail electric provider to apply the same reduction to any rate plan under which an eligible low-income electric customer is receiving service, rather than requiring PUC to adopt rules for a retail electric provider to determine a reduced rate for eligible customers to be discounted off the standard retail service package as approved by PUC under Section 39.106, or the price to beat established by Section 39.202 (Price to Beat), whichever is lower. Requires municipally owned utilities and electric cooperatives to establish a reduced rate for eligible customers to be discounted off the standard retail service package established under Section 40.053 (Retail Customer's Right of Choice) or 41.053 (Retail Customer Right of

Choice), as appropriate, so that the total of the discounts provided under this section is proportional to the total of the nonbypassable fees imposed as provided by Section 39.9035(e) that are collected from the retail electric customers of the utility or cooperative. Requires that the reduced rate for a retail electric provider result in a total charge for each billing period that is at least 15 percent lower than the amount the customer would otherwise be charged for each billing period, rather than requiring that the reduced rate for a retail electric provider result in a total charge that is at least 10 percent and, if sufficient money in the system benefit fund is available, up to 20 percent, lower than the amount the customer would otherwise be charged. Authorizes PUC to increase the fee to an amount of not more than 50 cents per megawatt hour, as provided by Subsection (d) to the extent the low-income electric customers program fund is insufficient to pay for the 15 percent rate reduction, rather than authorizing PUC to increase the fee to an amount not more than 65 cents per megawatt hour, as provided by Subsection (b) to the extent the system benefit fund is insufficient to fund the initial 10 percent rate reduction. Requires PUC to reduce the rate of the reduction to less than 15 percent if the fee is set at 50 cents per megawatt hour or if PUC determines that revenues anticipated to be due for deposit to the fund are insufficient to pay for the 15 percent rate reduction, rather than authorizing PUC to reduce the rate reduction to less than 10 percent if the fee is set at 65 cents per megawatt hour or if PUC determines that appropriations are insufficient to fund the 10 percent rate reduction. Requires that the reduced rate for a municipally owned utility or electric cooperative be equal to an amount that can be fully funded by that portion of the nonbypassable fee proceeds paid by the municipally owned utility or electric cooperative that is allocated to the utility or cooperative by PUC under Subsection (g), rather than Subsection (e), for programs for low-income customers of the utility or cooperative. Requires PUC, before August 1 of each even-numbered year, to project whether revenue anticipated to be due for deposit to the fund during the next state fiscal biennium will be sufficient to pay for the 15 percent rate reduction. Requires PUC, not later than August 1, to report to LBB the additional amount that would be necessary to pay for the rate reduction and request that LBB include in the budget for that biennium an appropriation in that amount to PUC for that purpose from the system benefit fund or another source if PUC projects that the anticipated revenue would be insufficient to pay for the rate reduction. Authorizes the legislature, notwithstanding Section 39.903, to appropriate money from the system benefit fund for the purpose of ensuring sufficient funding to pay for the rate reduction.

(k) Redesignates existing Section 39.903(i) as Section 39.9035(k). Prohibits a retail electric provider, municipally owned utility, or electric cooperative seeking reimbursement from the low-income electric customers program fund, rather than from the system benefit fund, from charging an eligible low-income customer a rate higher than the appropriate rate determined under Subsection (j), rather than Subsection (h). Requires PUC rules to provide for a municipally owned utility or electric cooperative subject to the nonbypassable fee under Subsection (e) to be reimbursed from the fund for the difference between the reduced rate and the rate established under Section 40.053 or 41.053, as appropriate, rather than requiring a retail electric provider not subject to the price to beat, or a municipally owned utility or electric cooperative subject to the nonbypassable fee under Subsection (c), to be reimbursed from the system benefit fund for the difference between the reduced rate and the rate established under Section 39.106 or, as appropriate, the rate established under Section 40.053 or 41.053. Requires a retail electric provider to be reimbursed from the fund for the difference between the reduced rate and the rate plan under which the customer is receiving service, rather than requiring a retail electric provider who is subject to the price to beat to be reimbursed from the system benefit fund for the difference between the reduced rate and the price to beat.

(l) Redesignates existing Section 39.903(j) as Section 39.9035(l). Requires PUC to adopt rules providing for methods of enrolling customers eligible to receive the

reduced rates determined under Subsection (j), rather than Subsection (h). Requires the Health and Human Services Commission (HHSC), rather than the Texas Department of Human Services (TDHS), on request of PUC, to assist in the adoption and implementation of these rules. Requires PUC and HHSC, rather than PUC and TDHS, to enter into a memorandum of understanding establishing the respective duties of the agencies, rather than PUC and TDHS, in relation to the automatic enrollment. Requires that rules adopted under this section provide that:

(1) an electric customer eligible for the reduced rates determined under Subsection (j) is also eligible for reduced rates for telecommunications services offered for low-income customers; and

(2) a customer eligible for reduced rates for telecommunications services offered for low-income customers is also eligible for the reduced rates established under Subsection (j).

(m) Redesignates existing Section 39.903(j-1) as Section 39.9035(m). Requires PUC to adopt rules governing the bill payment assistance program provided under Subsection (g)(2), rather than Subsection (e)(1)(B). Requires that the rules provide that a customer is eligible to receive the assistance only if the assistance is necessary to prevent the disconnection of service for nonpayment of bills for a critical care residential customer. Deletes existing text requiring that the rules provide that a customer is eligible to receive the assistance only if the assistance is necessary to prevent the disconnection of service for nonpayment of bills and the electric customer is or has in the customer's household one or more seriously ill or disabled low-income persons whose health or safety may be injured by the disconnection.

(n) Redesignates existing Section 39.903(k) as Section 39.9035(n) and makes no further change to this subsection.

(o) Prohibits the low-income electric customers program fund fee, notwithstanding Subsections (d), (e), (f), and (j), from being imposed after August 31, 2023. Requires PUC and the administrator, after that date, to undertake to continue the low-income electric customers programs described by this section until the balances of the fund and the system benefit fund are exhausted.

Deletes existing Section 39.903(l) defining " low-income electric customer."

SECTION 22. Amends Section 39.905(f), Utilities Code, as follows:

(f) Requires each unbundled transmission and distribution utility to include in its energy efficiency plan a weatherization and low-income energy efficiency program as described by Section 39.9035(h) and requires that the savings achieved by the program count toward the transmission and distribution utility's energy efficiency goal unless funding is provided under Section 39.9035, rather than requiring that each unbundled transmission and distribution utility include in its energy efficiency plan a targeted low-income energy efficiency program as described by Section 39.903(f)(2), and the savings achieved by the program to count toward the transmission and distribution utility's energy efficiency goal unless funding is provided under Section 39.903. Requires PUC to determine the appropriate level of funding to be allocated to both the required weatherization programs and standard offer low-income energy efficiency programs, rather than targeted and standard offer low-income energy efficiency programs in each unbundled transmission and distribution utility service area. Requires that the level of funding for the required weatherization programs and low-income energy efficiency programs be provided from money approved by PUC for the transmission and distribution utility's energy efficiency programs. Requires PUC to ensure that annual expenditures for the required weatherization programs and low-income energy efficiency programs, rather than targeted low-income energy efficiency programs, of each unbundled transmission and

distribution utility are not less than 10 percent of the transmission and distribution utility's energy efficiency budget for the year. Requires a required weatherization program or a low-income energy efficiency program, rather than a targeted low-income energy efficiency program, to comply with the same audit requirements that apply to federal weatherization subrecipients. Requires the state agency that administers the federal weatherization assistance program to participate in energy efficiency cost recovery factor proceedings related to expenditures under this subsection to ensure that the required weatherization programs and low-income weatherization programs, rather than targeted low-income weatherization programs, are consistent with federal weatherization programs and adequately funded.

SECTION 23. Amends Section 40.001(a), Utilities Code, to provide that this chapter (Competition For Municipally Owned Utilities and River Authorities), notwithstanding any other provision of law, except Sections 39.155, 39.157(e), 39.203, 39.903, 39.9035, and 39.904, governs the transition to and the establishment of a fully competitive electric power industry for municipally owned utilities.

SECTION 24. Amends Section 40.004, Utilities Code, as follows:

Sec. 40.004. JURISDICTION OF COMMISSION. Provides that except as specifically otherwise provided in this chapter, PUC has jurisdiction over municipally owned utilities only for certain purposes, including to require collection of the nonbypassable fees established under Section 39.903(b) and Section 39.9035(e), rather than the nonbypassable fee established under Section 39.903(b). Makes nonsubstantive changes.

SECTION 25. Amends Section 41.001, Utilities Code, to provide that notwithstanding any other provision of law, except Sections 39.155, 39.157(e), 39.203, 39.903, 39.9035, and 39.904, this chapter governs the transition to and the establishment of a fully competitive electric power industry for electric cooperatives.

SECTION 26. Amends Subchapter I, Chapter 26, Water Code, by adding Section 26.35745, as follows:

Sec. 26.35745. REPORT ON CORRECTIVE ACTIONS FOR PETROLEUM CONTAMINATED SITES AND FEES NECESSARY TO CONCLUDE PROGRAM.

(a) Requires TNRCC to annually prepare a report regarding the status of corrective actions for sites reported to TNRCC under this subchapter as having had a release needing corrective action. Requires TNRCC to issue the report to the legislature on or before November 1 of each year.

(b) Requires that the report, regarding sites reported to TNRCC under this subchapter as having had a release needing corrective action on or before December 22, 1998, and that remain in TNRCC's PST State-Lead Program on September 1, 2013, include the total number of sites, the total number of sites for which corrective action is ongoing, the total number of sites monitored, the projected costs of the corrective actions, the projected costs of monitoring, a projected timeline for issuing closure letters under this subchapter for all of the sites, and for each site, the corrective action activities proposed and completed during the preceding state fiscal year.

(c) Requires that the report, regarding sites reported to TNRCC under this subchapter as having had a release needing corrective action after December 22, 1998, for which TNRCC has elected to assume responsibility for undertaking corrective action under this subchapter, include the current status of each site, the costs associated with the corrective action activities performed during the preceding state fiscal year for the sites, amounts recovered under Section 26.355 (Recovery of Costs) related to the sites, and enforcement actions taken against owners and operators related to those sites.

(d) Requires TNRCC to investigate the amount of fees that would be necessary to cover the costs necessary to conclude the programs and activities under this subchapter before September 1, 2021. Requires TNRCC to include in the annual report under this section the conclusions of the investigation and TNRCC's recommendations regarding the fees and programs and activities.

(e) Provides that this section expires September 1, 2021.

SECTION 27. (a) Requires the comptroller to compute the amount by which the amount of the revenue described by Object Code 3201, Insurance Premium Taxes, as referenced in the comptroller's biennial revenue estimate submitted in advance of the 83rd Legislature, Regular Session, 2013, and actually received during the state fiscal biennium beginning September 1, 2013, exceeds the amount of that revenue as estimated for that biennium in the biennial revenue estimate.

(b) Requires that the first \$340 million of the amount of the excess revenue computed by the comptroller under Subsection (a) of this section, as referenced in the comptroller's biennial revenue estimate submitted in advance of the 83rd Legislature, Regular Session, 2013, notwithstanding any other law providing for the allocation or dedication of the revenue described by Object Code 3201, Insurance Premium Taxes, be considered available for appropriation for providing the nonfederal share of disproportionate share hospitals supplemental payment program funds.

(c) Provides that this section expires August 31, 2015.

SECTION 28. Makes application of Article 102.018(e), Code of Criminal Procedure, as added by this Act, prospective to September 1, 2013.

SECTION 29. Requires PUC to adopt or revise, as necessary to implement this Act, rules governing the system benefit fund and the low-income electric customers program fund under Section 39.903, Utilities Code, as amended by this Act, and Section 39.9035, Utilities Code, as added by this Act, not later than January 1, 2014.

SECTION 30. Effective date: upon passage or September 1, 2013.