

BILL ANALYSIS

Senate Research Center
88R9006 PRL-F

H.B. 4246
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Business & Commerce
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Current law restricts an electric cooperative's ability to claw back unclaimed property to \$2 million statewide. Electric cooperatives would like the ability to claw back up to 50 percent of the unclaimed property reported within a year. Because electric cooperatives are member- and ratepayer-owned nonprofit corporations, any funds that an electric cooperative can claw back could be used to help fund local scholarships, rural economic development, and energy efficiency efforts as current law allows. Electric cooperatives believe that because these funds come from the overpayments of their ratepayers and members, it is more appropriate that the electric cooperative be able to retain more of these funds for the local benefit of ratepayers.

H.B. 4246 seeks to change the cap on the amount of money that may be transferred during a state fiscal year by nonprofit cooperative corporations to a scholarship fund for rural students, to stimulate rural economic development, or to provide energy efficiency assistance to members of electric cooperatives.

H.B. 4246 amends current law relating to delivery of certain unclaimed money for scholarships for rural students, rural economic development, and energy efficiency assistance.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 74.3013(f), Property Code, as follows:

(f) Prohibits the total amount of money that is authorized to be transferred by all nonprofit cooperative corporations under Section 74.3013 (Delivery of Money for Rural Scholarship, Economic Development, and Energy Efficiency Assistance) from exceeding 50 percent of the total money reported for a state fiscal year by those nonprofit cooperative corporations during that year, rather than from exceeding \$2 million. Deletes existing text requiring that no more than 20 percent of each nonprofit cooperative's funds eligible for delivery under this section be used for economic development.

SECTION 2. Effective date: September 1, 2023.