

By: Troxclair, Dean, Goldman, Hefner

H.B. No. 4207

Substitute the following for H.B. No. 4207:

By: Spiller

C.S.H.B. No. 4207

A BILL TO BE ENTITLED

AN ACT

relating to municipally owned utility vegetation management.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter Z, Chapter 552, Local Government Code, is amended by adding Section 552.915 to read as follows:

Sec. 552.915. PROHIBITION ON TRANSFER OF MUNICIPAL UTILITY REVENUE. (a) In this section:

(1) "Commission" means the Public Utility Commission of Texas.

(2) "Municipal utility" means an electric utility system owned, operated, or controlled by a municipality.

(b) If the commission determines under Section 38.101, Utilities Code, that a municipal utility's vegetation management activities are insufficient to ensure reliable service, except as provided by Subsection (c) and notwithstanding any other law, the municipality may not in the fiscal year of the determination transfer revenue to the general fund of the municipality from the municipal utility that the municipal utility needs to conduct sufficient vegetation management activities to ensure reliable service.

(c) The commission shall provide the municipality with a reasonable grace period after the commission provides a notice to the municipal utility under Section 38.101(c), Utilities Code, in which the municipality may continue to transfer revenue as

1 described by Subsection (b) while the utility alters the utility's
2 vegetation management activities to ensure reliable service.

3 SECTION 2. Section 38.101, Utilities Code, is amended to
4 read as follows:

5 Sec. 38.101. REPORT ON INFRASTRUCTURE IMPROVEMENT AND
6 MAINTENANCE. (a) Not later than May 1 of each year, each electric
7 utility and municipally owned utility shall submit to the
8 commission a report describing the utility's activities related to:

9 (1) identifying areas that are susceptible to damage
10 during severe weather and hardening transmission and distribution
11 facilities in those areas;

12 (2) vegetation management; and

13 (3) inspecting distribution poles.

14 (b) Each electric utility and municipally owned utility
15 shall include in a report required under Subsection (a) a summary of
16 the utility's activities related to preparing for emergency
17 operations.

18 (c) The commission shall evaluate each report submitted by a
19 municipally owned utility under this section and notify the utility
20 if the commission determines that the utility's vegetation
21 management activities are insufficient to ensure reliable service.

22 SECTION 3. This Act takes effect September 1, 2023.