

BILL ANALYSIS

H.B. 1193
By: West, George “Buddy”
Energy Resources
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The Railroad Commission of Texas (RRC) is proposing that the Legislature repeal Texas Utilities Code 121.156, Railroad Commission Report, because it no longer serves the purpose for which it was originally adopted.

In 1920, the Texas Legislature declared the transportation and sale of natural gas to be a public utility and gave the RRC jurisdiction. The Legislature gave the RRC the power to establish a staff of experts to inspect and audit gas utilities activities. This regulatory staff was to be paid out of a Gas Utilities Fund established by a tax on the gross receipts of the gas utilities operating in the State. The RRC was required to file an annual report to the Governor that detailed gas utility proceedings over the previous year, receipts into the Gas Utilities Fund, and a detailed accounting of the names, title, and expenditures (including salaries and travel expenses) of the regulatory staff that evaluated gas utility operations. The detailed accounting report to the Governor was necessary because these expenses were reimbursed directly by the utilities through the Gas Utilities Fund.

In 1981, the Legislature modified payment of the gas utilities’ gross receipts tax so that it was deposited into the State’s General Revenue Fund rather than the Gas Utilities Fund, while RRC regulatory expenses were likewise paid out of the General Revenue Fund rather than the Gas Utilities Fund. The link between the dedicated Gas Utilities Fund and the RRC regulatory activities was thus broken. Therefore, the annual report to the Governor became unnecessary.

Funding of regulatory activities is now performed through the normal agency budgeting process, and regulatory activities and expenditures are now reported through the RRC’s Annual Statistical and Financial Reports.

RULEMAKING AUTHORITY

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

ANALYSIS

HB 1193 repeals Section 121.156, Texas Utilities Code which is no longer needed.

EFFECTIVE DATE

This act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2003.