

## **BILL ANALYSIS**

C.S.H.B. 1531  
By: Cook, Robby  
Regulated Industries  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Chapter 181 of the Utilities Code contains the general powers of utilities, and refers to corporations engaged in the utility business. However, in recent years, other forms of business organizations have been created and used. Some local courts have questioned whether Master Limited Partnerships and Limited Partnerships are included in the definition of corporation under Section 181.001 of the Utilities Code. This bill makes it clear that a utility organized as a Master Limited Partnership or Limited Partnership is considered a utility corporation and also includes in the definition of corporation any entity that is an electric or gas utility regardless of the form of business organization.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

This bill amends Section 181.001 of the Utilities Code. The definition of corporation is amended. Section 1 (a) of the bill adds Limited Partnerships and Master Limited Partnerships; (b) adds business entities; (b) is renamed to (c); and subsection (d) is added to include a gas utility or electric utility regardless of the form of business organization, but not including a municipally owned utility.

### **EFFECTIVE DATE**

Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2003.

### **COMPARISON OF ORIGINAL TO SUBSTITUTE**

On lines 14 and 15 of CSHB 1531 after the word "organization" and before the period, ",", but not including a municipally owned utility" has been inserted.