

BILL ANALYSIS

Senate Research Center

H.B. 3325
By: Keffer, Jim (Staples)
Business & Commerce
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Engrossed

DIGEST AND PURPOSE

Currently, few mechanisms exist that allow small and rural communities to create associations in an effort to access funds for economic development and to improve technology. The communities often lack the knowledge of where and how to apply for grants and funding for projects. H.B. 3325 creates the Community Telecommunications Alliance Program to build associations for public and private entities to promote economic development and school health technologies.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Office of Rural Community Affairs and the Telecommunications Infrastructure Fund Board in SECTION 1 (Section 487.602, Government Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 487, Government Code, by adding Subchapter N, as follows:

SUBCHAPTER N. COMMUNITY TELECOMMUNICATIONS ALLIANCE PROGRAM

Sec. 487.601. DEFINITIONS. Defines "community telecommunications alliance" and "program."

Sec. 487.602. MEMORANDUM OF UNDERSTANDING. (a) Requires the Office of Rural Community Affairs (ORCA) and the Telecommunications Infrastructure Fund Board (TIF) by rule to adopt a memorandum of understanding establishing the community telecommunications alliance program. Requires the program to perform certain functions.

(b) Requires each community telecommunications alliance established under this section to have an advisory council with representation from each of the following:

- (1) a local nonprofit organization;
- (2) a local county-elected official;
- (3) a local city-elected official;
- (4) a local telecommunications provider;
- (5) a local economic development group;
- (6) the local financial community; and
- (7) a local information services provider.

(c) Provides that eligibility for private network services under this section is limited to the entities listed in Sections 58.253(a) and 59.072(a), Utilities Code, as appropriate.

(d) Requires a community telecommunications alliance to make available the opportunity for public and school libraries, public and nonprofit health care facilities, and local institutions of higher education to be included in the

community telecommunications alliance.

Sec. 487.603. **REPORT TO THE LEGISLATURE.** Requires ORCA to submit to the legislature a report detailing the grant activities of the program and grant recipients, no later than January 1 of each odd-numbered year. Requires the report to include certain information.

SECTION 2. Amends Section 57.047(c), Utilities Code, to require TIF, in awarding a grant or loan under this subchapter, to give priority to certain projects or proposals.

SECTION 3. Effective date: September 1, 2003.