

## **BILL ANALYSIS**

Senate Research Center  
78R16432 MTB-F

C.S.H.B. 3325  
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Business & Commerce  
5/21/2003  
Committee Report (Substituted)

### **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. C.S.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**

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

### **SECTION BY SECTION ANALYSIS**

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

#### **SUBCHAPTER O. COMMUNITY TELECOMMUNICATIONS ALLIANCE PROGRAM**

Sec. 487.651. DEFINITIONS. Defines "board," "community telecommunications alliance" and "program."

Sec. 487.652. 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) Prohibits this chapter from being construed to:

- (1) expand eligibility for private network services under Section 58.253(a) or 59.072(a), Utilities Code, to persons not eligible to purchase the services; or
- (2) permit the direct or indirect sharing or resale of private network services with persons not eligible to purchase the services.

(d) Requires a community telecommunications alliance created under this section to offer certain local entities the opportunity to be include in the alliance.

Sec. 487.653. **REPORT TO THE LEGISLATURE.** Requires ORCA and TIF to jointly submit to 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.

Sec. 487.654 **PROHIBITION.** Prohibits a community telecommunications alliance from directly or indirectly performing certain functions.

**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, including one that assists the community telecommunications alliance program.

**SECTION 3.** Effective date: September 1, 2003.