

## **BILL ANALYSIS**

Senate Research Center

S.B. 1401  
By: Fraser  
Finance  
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As Filed

### **DIGEST AND PURPOSE**

H.B. 2128 passed by the 74th Texas Legislature authorized an assessment against telecommunications providers. The revenue from the assessment was deposited to the credit of the Telecommunications Infrastructure Fund, which awarded grants to certain entities. The assessment is authorized to be collected until 2005 or until \$1.5 billion is collected, whichever comes first. As proposed, S.B. 1401 creates an endowment with any undedicated funds and abolishes the Telecommunications Infrastructure Board. The comptroller is the administrator of the endowment and uses the interest and earnings off the endowment to continue to award grants under the Telecommunications Infrastructure Fund program.

### **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 Section 57.042, Utilities Code, to delete the definition of "board." Redesignates Subdivisions (3)-(12) as (2)-(11).

SECTION 2. Amends Section 57.043(a), Utilities Code, to provide that the telecommunications infrastructure fund (fund) is a trust fund inside the state treasury with the comptroller of public accounts (comptroller) in trust. Requires interest earned on the fund to be credited to the fund. Provides that the assets of the fund, including interest earned by those assets, are to be held in trust for the benefit and protection of the fund and prohibits the assets of the fund from being diverted, distributed, or appropriated for any purpose other than as provided by this subchapter, notwithstanding other law. Requires the comptroller to only appropriate amounts earned by the fund and prohibits the comptroller from diverting, distributing, or appropriating the corpus of the trust fund. Defines "corpus of the trust fund." Deletes existing text regarding the telecommunication infrastructure fund as an account in the general revenue fund. Deletes existing text regarding Section 403.095, Government Code (Use of Dedicated Revenue) not applying to the fund or to the accounts that compose the fund. Makes conforming changes.

SECTION 3. Amends Section 57.0455, Utilities Code, as follows:

- (a) Requires the comptroller, rather than the telecommunications infrastructure fund board (board), to adopt a master plan for infrastructure development.
- (b) Makes a conforming change.

SECTION 4. Amends Section 57.046, Utilities Code, to make conforming and nonsubstantive changes.

SECTION 5. Amends Section 57.047, Utilities Code, as follows:

- (a) Makes a conforming and a nonsubstantive change. Redesignates Paragraph (D) as (E).

(b)-(d) Make conforming changes.

(e) Deletes existing Subsection (e) regarding a board member disclosing the member's employment before a vote on a grant of loan. Redesignates existing Subsection (f) as (e).

SECTION 6. Amends Section 57.0475 (a) and (b), Utilities Code, to make conforming changes.

SECTION 7. Amends Section 57.048 (c), Utilities Code, to provide that the assessment under this section expires on the earlier of two certain dates.

SECTION 8. Amends Section 57.049, Utilities Code, remove references to the board and board functions regarding issuance of warrants by the comptroller.

SECTION 9. Amends Section 57.050, Utilities Code, to make conforming changes.

SECTION 10. Amends Section 21.0482, (c), Education Code, as added by Chapter 1301, Acts of the 77th Legislature, Regular Session, 2001, to require a person, to be eligible for a master technology teacher certificate, to meet certain requirements, including satisfactorily performance on an examination developed by the board, rather than in cooperation with the board, and administered at the conclusion of the course of instruction prescribed under Paragraph (B).

SECTION 11. Amends Section 487.054 (a), Government Code, to delete existing Subdivision (4) regarding the presiding officer of the board being required to meet at least once each year with other agency heads to discuss rural issues. Redesignates existing Subdivisions (6)-(12) as (5)-(11).

SECTION 12. Amends Section 531.02161 (b) and (c), Government Code, as added by Chapter 1255, Acts of the 77th Legislature, Regular Session, 2001, as follows:

(b) Deletes existing text regarding certain entities adopting certain minimum standards by rule. Makes a conforming change.

(c) Makes a conforming change.

SECTION 13. Amends Section 531.02172 (b), Government Code, as added by Chapter 661, Acts of the 77th Legislature, Regular Session, 2001, to make a conforming change. Redesignates Paragraphs (E)-(H) as (D)-(G).

SECTION 14. Amends Section 531.02172 (b), Government Code, as added by Chapter 959, Acts of the 77th Legislature, Regular Session, 2001, to make a conforming change. Redesignates Paragraphs (E)-(H) as (D)-(G).

SECTION 15. Amends Section 2054.201 (a), Government Code, to delete existing text regarding the telecommunications planning and oversight council including the executive director of the board. Redesignates Subdivisions (3)-(11) as (2)-(12).

SECTION 16. Amends Section 2165.104 (c), Government Code, to make a conforming change.

SECTION 17. Repealer: Sections 57.044 (Board), 57.045 (Powers and Duties of Board), and 57.051 (Sunset Provision), Utilities Code.

SECTION 18. Prohibits the comptroller from diverting, distributing, or appropriating any funds from the telecommunications infrastructure fund until the assessment period required under Section 57.048 (c), Utilities Code, as amended by this Act, has expired.

SECTION 19. (a) Provides that the board is abolished but continues in effect until December 1, 2003, for the sole purpose of transferring to the comptroller all the rights, powers, duties, and functions exercised by the board immediately before the effective date of this Act. Requires the transfer to be completed not later than December 1, 2003.

(b) Provides that all rules of the board are continued in effect as rules of the comptroller until superseded by a rules of the comptroller.

(c) Provides that all funds, contracts, property, personnel, and records of the board are transferred to the comptroller for the purpose of administering the fund.

(d) Provides that a reference in law or in an administrative rule to the board means the comptroller.

SECTION 20. Effective date: September 1, 2003.