

BILL ANALYSIS

Senate Research Center

S.B. 40
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Business & Commerce
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AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Current law requires telecommunications providers to compensate municipalities for right-of-way use through access line charges as authorized by Chapter 283 (Management of Public Right-of-Way Used by Telecommunications Provider in Municipality), Local Government Code. However, telecommunication companies do not have to seek individual franchises from municipalities. Current law also requires cable providers to enter into individual franchise agreements negotiated with municipalities at the local level. Generally, as part of the franchise agreement, right-of-way compensation is paid based on a percentage of the provider's gross receipts.

S.B. 40 requires the legislature to create a Joint Legislative Oversight Committee on Communications and Technology (committee). The bill charges the committee with conducting a comprehensive study of right-of-way use and compensation paid to governmental entities by communications and technology providers.

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. Requires the legislature to conduct a study on right-of-way use compensation paid to governmental entities by communications and technology service providers. Requires the study to be conducted by the newly created Joint Legislative Oversight Committee on Communications and Technology.

SECTION 2. JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON COMMUNICATIONS AND TECHNOLOGY. (a) Defines "committee."

(b) Sets forth the composition of the Joint Legislative Oversight Committee on Communications and Technology (committee).

(c) Requires the members to be appointed by the appropriate appointing official to the committee by November 1, 2005. Provides that an appointed member of the committee serves at the pleasure of the appointing official.

(d) Requires the committee to conduct a comprehensive study and file a report with the legislature not later than November 1, 2006, containing the committee's revenue-neutral, technology-neutral, and competitively neutral recommendations concerning compensation paid to governmental entities, including but not limited to municipalities, from communications and technology service providers. Requires the report to address certain items.

(d) Requires the Public Utility Commission to assist with collection of certain information, to maintain the confidentiality of the information, and provide a certain summary.

(e) Provides that the information that is claimed to be confidential under Subsection (d) is exempt from disclosure under Chapter 552 (Public Information), Government Code.

(f) Authorizes the committee to request reports and other information from the Public Utility Commission, governmental entities, and from communications and technology service providers as necessary to carry out this section.

SECTION 3. Effective date: upon passage or the after the 91st day of the legislative session.