

BILL ANALYSIS

C.S.H.B. 1698
By: Puente
Regulated Industries
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Currently, a municipally-owned utility may not invest funds held in a nuclear generation facility decommissioning trust fund, beyond the restrictions of the Public Funds Investment Act. As proposed, C.S.H.B. 1698 authorizes municipally owned utilities, with an interest in a nuclear generation facility, to invest decommissioning trust funds in certain equity investments as governed by the restrictions of the Public Utility Commission and the Federal Energy Regulatory Commission.

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

C.S.H.B. 1698 Amends Subchapter A, Chapter 2256 of the Government Code by adding a Section 2256.0205 which is entitled, Authorized Investments; Decommissioning Trust.

The bill defines the purpose of a decommissioning trust to insure that funds are available to decommission or take out of service a nuclear generation facility in accordance with federal law. The bill defines the term "funds" to include money held in a decommissioning trust regardless of whether the money is considered public funds. Additionally, the bill clarifies that in addition to investments allowed for public funds investment options of other types are authorized under the Property Code.

EFFECTIVE DATE

This Act takes effect September 1, 2005.

COMPARISON OF ORIGINAL TO SUBSTITUTE

The substitute modifies the original bill by changing "certain municipalities" to "certain municipal utilities" in the heading.

The substitute modifies the original bill by adding a paragraph which defines "funds" as any money held in a decommissioning trust regardless of whether the money is considered public funds.