

BILL ANALYSIS

H.B. 735
By: Straus
Regulated Industries
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The Telecommunications Infrastructure Fund, or TIF, was created in 1995 by HB 2128 for the purpose of increasing the wiring and deployment broadband services to public schools, libraries, and non-profit hospitals. TIF revenue comes from a 1.25% assessment on telephone customers' bills. As originally passed, the TIF assessment was to be levied until the fund received \$1.5 billion. After reaching this revenue cap, the TIF was to be terminated. However, subsequent legislatures increased, and then removed, the revenue cap and pushed the fee's sunset date out to 2011. Further, with TIF's original purpose fulfilled, the 78th legislature re-allocated the collected fees to the State budget's general revenue.

As proposed, HB 735 allows the legislature to repeal the TIF that has accomplished its intended purpose.

RULEMAKING AUTHORITY

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

ANALYSIS

The bill repeals in their entirety three code sections that are no longer needed in statute. The statute originally instituting the now-defunct grant program and governing board, Subchapter C, Chapter 57 of the Utilities Code is repealed. Additionally, two statutes that placed requirements and receipt of the now-defunct grants, Sec. 32.202 of the Education Code and Section 441.1385 of the Government Code.

In Section 3, the bill removes the TIF as funding for the \$30-per student Technology Allotment. This allotment may still be funded, per the statute, from the available school fund or any other funds that may be used for that purpose per the General Appropriations Act.

The bill strikes references to the Telecommunications Infrastructure Fund and to the Telecommunications Infrastructure Fund Board throughout the following statutes:

- Education Code Sections 21.0483(c) and 32.005(c);
- Government Code Sections 487.054(a); 487.651; 487.652; 487.653; 654.011(a); and 2054.201(a); and
- Utilities Code Sections 58.252(2); 58.253(a); and 59.071(2)

EFFECTIVE DATE

Unless the bill receives the necessary two-thirds vote in both houses for immediate effect, the bill will take effect on the 91st day after the last day of the legislative session.