

SENATE AMENDMENTS

2nd Printing

By: Straus, Thompson, Keffer, Isett,
King of Parker, et al.

H.B. No. 735

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the discontinuation of the Telecommunications
3 Infrastructure Fund.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. (a) The following are repealed on the effective
6 date of this Act as provided by Section 15 of this Act:

7 (1) Subchapter E, Chapter 32, Education Code; and

8 (2) Section 441.1385, Government Code.

9 (b) Effective October 1, 2007, Subchapter C, Chapter 57,
10 Utilities Code, is repealed.

11 SECTION 2. Section 21.0483(c), Education Code, is amended
12 to read as follows:

13 (c) To be eligible for a master technology teacher
14 certificate, a person must:

15 (1) hold a technology applications or Technology
16 Education certificate issued under this subchapter, satisfactorily
17 complete the course of instruction prescribed under Subdivision
18 (2)(B), and satisfactorily perform on the examination prescribed
19 under Subdivision (2)(C); or

20 (2) hold a teaching certificate issued under this
21 subchapter and:

22 (A) have at least three years of teaching
23 experience;

24 (B) satisfactorily complete a knowledge-based

1 and skills-based course of instruction on interdisciplinary
2 technology applications and the science of teaching technology that
3 includes training in:

4 (i) effective technology instruction
5 techniques, including applications designed to meet the
6 educational needs of students with disabilities;

7 (ii) classroom teaching methodology that
8 engages student learning through the integration of technology;

9 (iii) digital learning competencies,
10 including Internet research, graphics, animation, website
11 mastering, and video technologies;

12 (iv) curriculum models designed to prepare
13 teachers to facilitate an active student learning environment; and

14 (v) effective professional peer mentoring
15 techniques;

16 (C) satisfactorily perform on an examination
17 [~~developed in cooperation with the Telecommunications~~
18 ~~Infrastructure Fund Board and~~] administered at the conclusion of
19 the course of instruction prescribed under Paragraph (B); and

20 (D) satisfy any other requirements prescribed by
21 the board.

22 SECTION 3. Section 32.005(c), Education Code, is amended to
23 read as follows:

24 (c) The allotment under this section may be paid from:

25 (1) [~~the telecommunications infrastructure fund under~~
26 ~~Subchapter C, Chapter 57, Utilities Code,~~

27 ~~(2)] the available school fund; or~~

1 (2) [~~(3)~~] any other fund that may be used for that
2 purpose and that is identified in the General Appropriations Act as
3 the source of payment of the allotment.

4 SECTION 4. Section 487.054(a), Government Code, is amended
5 to read as follows:

6 (a) At least once each year, the following agency heads or
7 their designees shall meet in Austin to discuss rural issues and to
8 provide information showing the impact each agency has on rural
9 communities for use in developing rural policy and compiling the
10 annual report under Section 487.051(4):

11 (1) the commissioner of agriculture;

12 (2) the executive director of the Public Utility
13 Commission of Texas;

14 (3) the director of the Texas Agricultural Extension
15 Service;

16 (4) [~~the presiding officer of the Telecommunications~~
17 ~~Infrastructure Fund Board,~~

18 ~~(5)~~ the executive director of the Texas Department
19 of Housing and Community Affairs;

20 (5) [~~(6)~~] the commissioner of the Department of State
21 Health Services;

22 (6) [~~(7)~~] the executive administrator of the Texas
23 Water Development Board;

24 (7) [~~(8)~~] the executive director of the Parks and
25 Wildlife Department;

26 (8) [~~(9)~~] the commissioner of higher education;

27 (9) [~~(10)~~] the comptroller;

1 (10) [~~(11)~~] the executive director of the Texas
2 Department of Transportation;

3 (11) [~~(12)~~] the executive director of the Texas
4 Commission on Environmental Quality;

5 (12) [~~(13)~~] the executive director of the Texas
6 Economic Development and Tourism Office;

7 (13) [~~(14)~~] the commissioner of insurance;

8 (14) [~~(15)~~] the commissioner of the Department of
9 Aging and Disability Services;

10 (15) [~~(16)~~] the commissioner of education;

11 (16) [~~(17)~~] the executive commissioner of the Health
12 and Human Services Commission;

13 (17) [~~(18)~~] the executive director of the Texas
14 Workforce Commission;

15 (18) [~~(19)~~] the executive director of the Texas
16 Historical Commission;

17 (19) [~~(20)~~] a member of the Railroad Commission of
18 Texas;

19 (20) [~~(21)~~] the executive director of the State Soil
20 and Water Conservation Board;

21 (21) [~~(22)~~] the executive director of the office; and

22 (22) [~~(23)~~] the head of any other agency interested in
23 rural issues.

24 SECTION 5. Section 487.651, Government Code, is amended to
25 read as follows:

26 Sec. 487.651. DEFINITIONS. In this subchapter:

27 (1) [~~"Board" means the Telecommunications~~

1 ~~Infrastructure Fund Board.~~

2 ~~(2)~~ "Community telecommunications alliance" means
3 an association of public and private entities created to share
4 resources, promote innovative school health technology, promote
5 economic development opportunities for the community, and improve
6 the overall quality of life within a local community through
7 telecommunications and information services provided by the
8 private sector.

9 (2) ~~(3)~~ "Program" means the community
10 telecommunications alliance program.

11 SECTION 6. Section 487.652, Government Code, is amended to
12 read as follows:

13 Sec. 487.652. RULES GOVERNING PROGRAM [~~MEMORANDUM OF~~
14 ~~UNDERSTANDING~~]. (a) The [~~office and the board by rule shall adopt~~
15 ~~a memorandum of understanding establishing the~~] community
16 telecommunications alliance program[~~. The program~~] shall:

17 (1) assist local communities in the creation and
18 development of community telecommunications alliances, including
19 alliances established to pursue rural economic development or
20 innovative rural school health technology projects, by providing
21 advice and assistance in assessing local uses of and local demands
22 or needs for local telecommunications and information services of
23 private sector providers; and

24 (2) assist community telecommunications alliances in
25 applying for grant funding for projects, including:

26 (A) assisting alliances in securing matching
27 private sector funding for projects; and

1 (B) requiring alliances to develop sustainable
2 plans:

3 (i) that demonstrate how the alliance will
4 continue to obtain private sector services once the grant funding
5 terminates;

6 (ii) that do not directly compete with
7 local businesses, telecommunications providers, or information
8 services providers; and

9 (iii) that prohibit a network created with
10 assistance from the alliance or other public funding from being
11 sold to a direct competitor of a private sector provider.

12 (b) Each community telecommunications alliance established
13 under this section shall have an advisory council with
14 representation from each of the following:

- 15 (1) a local nonprofit organization;
- 16 (2) a local county-elected official;
- 17 (3) a local city-elected official;
- 18 (4) a local telecommunications provider;
- 19 (5) a local economic development group;
- 20 (6) the local financial community; and
- 21 (7) a local information services provider.

22 (c) This chapter may not be construed to:

23 (1) expand eligibility for private network services
24 under Section 58.253(a) or 59.072(a), Utilities Code, to persons
25 not eligible to purchase the services; or

26 (2) permit the direct or indirect sharing or resale of
27 private network services with persons not eligible to purchase the

1 services.

2 (d) A community telecommunications alliance created under
3 this section shall offer the following local entities the
4 opportunity to be included in the alliance:

5 (1) a library[~~, as defined by Section 57.042,~~
6 ~~Utilities Code~~];

7 (2) a public school[~~, as defined by Section 57.042,~~
8 ~~Utilities Code~~];

9 (3) a public not-for-profit health care facility[~~, as~~
10 ~~defined by Section 57.042, Utilities Code~~]; and

11 (4) a local institution of higher education[~~, as~~
12 ~~defined by Section 57.042, Utilities Code~~].

13 SECTION 7. Section 487.653, Government Code, is amended to
14 read as follows:

15 Sec. 487.653. REPORT TO LEGISLATURE. Not later than
16 January 1 of each odd-numbered year, the office [~~and the board~~
17 ~~jointly~~] shall submit to the legislature a report detailing the
18 grant activities of the program and grant recipients. The report
19 must include:

20 (1) the criteria used to quantify the effect grant
21 funds had in advancing telecommunications connectivity and
22 technology;

23 (2) data and performance measures used to quantify the
24 achievement of program objectives; and

25 (3) a description of and results from a grant
26 monitoring risk assessment and on-site review process.

27 SECTION 8. Section 531.02172(b), Government Code, is

1 amended to read as follows:

2 (b) The advisory committee must include:

3 (1) representatives of health and human services
4 agencies and other state agencies concerned with the use of
5 telemedical consultations in the Medicaid program and the state
6 child health plan program, including representatives of:

7 (A) the commission;

8 (B) the Texas Department of Health;

9 (C) the Office of Rural Community Affairs;

10 (D) [~~the Telecommunications Infrastructure Fund~~
11 ~~Board,~~

12 [~~(E)~~] the Texas Department of Insurance;

13 (E) [~~(F)~~] the Texas State Board of Medical
14 Examiners;

15 (F) [~~(G)~~] the Board of Nurse Examiners; and

16 (G) [~~(H)~~] the Texas State Board of Pharmacy;

17 (2) representatives of health science centers in this
18 state;

19 (3) experts on telemedicine, telemedical
20 consultation, and telemedicine medical services or telehealth
21 services; and

22 (4) representatives of consumers of health services
23 provided through telemedical consultations and telemedicine
24 medical services or telehealth services.

25 SECTION 9. Section 654.011(a), Government Code, is amended
26 to read as follows:

27 (a) The position classification plan and the salary rates

1 and provisions in the General Appropriations Act apply to all
2 hourly, part-time, temporary, and regular, full-time salaried
3 employments in the state departments, agencies, or judicial
4 entities specified in the articles of the General Appropriations
5 Act that appropriate money to:

- 6 (1) general government agencies;
- 7 (2) health and human services agencies;
- 8 (3) the judiciary, except for judges, district
9 attorneys, and assistant district attorneys;
- 10 (4) public safety and criminal justice agencies;
- 11 (5) natural resources agencies;
- 12 (6) business and economic development agencies;
- 13 (7) regulatory agencies; and
- 14 (8) agencies of public education, but only the Texas
15 Education Agency, the Texas School for the Blind and Visually
16 Impaired, the State Board for Educator Certification, [~~the~~
17 ~~Telecommunications Infrastructure Fund,~~] and the Texas School for
18 the Deaf.

19 SECTION 10. Section 2054.201(a), Government Code, is
20 amended to read as follows:

21 (a) The telecommunications planning and oversight council
22 is composed of:

- 23 (1) a representative of the comptroller's office,
24 appointed by the comptroller;
- 25 (2) [~~the executive director of the Telecommunications~~
26 ~~Infrastructure Fund Board,~~
27 [~~3~~] a representative of the Texas Building and

1 Procurement Commission, appointed by the executive director of the
2 commission;

3 (3) [~~(4)~~] a member representing the interests of state
4 agencies with 1,000 employees or more, appointed by the lieutenant
5 governor;

6 (4) [~~(5)~~] a member representing the interests of state
7 agencies with fewer than 1,000 employees, appointed by the speaker
8 of the house of representatives;

9 (5) [~~(6)~~] a member representing the interests of
10 institutions of higher education, appointed by the commissioner of
11 higher education;

12 (6) [~~(7)~~] a member representing the interests of The
13 University of Texas System, appointed by the chancellor;

14 (7) [~~(8)~~] a member representing the interests of The
15 Texas A&M University System, appointed by the chancellor;

16 (8) [~~(9)~~] a member representing the interests of
17 public school districts that are customers of the consolidated
18 telecommunications system, appointed by the governor;

19 (9) [~~(10)~~] a member representing the interests of
20 local governments that are customers of the consolidated
21 telecommunications system, appointed by the governor;

22 (10) [~~(11)~~] two public members with
23 telecommunications expertise, appointed by the governor; and

24 (11) [~~(12)~~] a representative of the Health and Human
25 Services Commission, appointed by the commissioner of health and
26 human services.

27 SECTION 11. Section 58.252(2), Utilities Code, is amended

1 to read as follows:

2 (2) "Library" means:

3 (A) a public library or regional library system
4 as those terms are defined by Section 441.122, Government Code;

5 (B) a library operated by an institution of
6 higher education or a school district; or

7 (C) a library operated by a nonprofit corporation
8 as defined by Section 441.221(3), Government Code [~~has the meaning~~
9 ~~assigned by Section 57.042~~].

10 SECTION 12. Section 58.253(a), Utilities Code, as amended
11 by Section 9, Chapter 959, Section 4, Chapter 1220, and Section 7,
12 Chapter 1350, Acts of the 77th Legislature, Regular Session, 2001,
13 is reenacted and amended to read as follows:

14 (a) On customer request, an electing company shall provide
15 private network services to:

16 (1) an educational institution;

17 (2) a library as defined in Section 57.021
18 [~~57.042(6)(A) and (B)~~];

19 (3) a nonprofit telemedicine center;

20 (4) a public or not-for-profit hospital; or

21 (5) [~~a project funded by the telecommunications~~
22 ~~infrastructure fund under Subchapter C, Chapter 57, except for a~~
23 ~~telepharmacy system; or~~

24 [~~6~~] a legally constituted consortium or group of
25 entities listed in this subsection.

26 SECTION 13. Section 59.071(2), Utilities Code, is amended
27 to read as follows:

1 (2) "Library" means:

2 (A) a public library or regional library system
3 as those terms are defined by Section 441.122, Government Code;

4 (B) a library operated by an institution of
5 higher education or a school district; or

6 (C) a library operated by a nonprofit corporation
7 as defined by Section 441.221(3), Government Code [~~has the meaning~~
8 ~~assigned by Section 57.042~~].

9 SECTION 14. (a) If this Act takes effect immediately as
10 provided by Section 15 of this Act:

11 (1) the assessment imposed under Section 57.048,
12 Utilities Code, for the calendar quarter ending in July 2007 is due
13 on the last day of August 2007;

14 (2) the assessment may not be imposed after the end of
15 the calendar quarter ending in July 2007; and

16 (3) Section 57.048, Utilities Code, is continued in
17 effect for the collection of the assessment due and for civil and
18 criminal enforcement of the liability for that assessment.

19 (b) If this Act takes effect September 1 as provided by
20 Section 15 of this Act:

21 (1) the assessment imposed under Section 57.048,
22 Utilities Code, for the calendar quarter ending in September 2007
23 is due on the last day of October 2007;

24 (2) the assessment may not be imposed after the end of
25 the calendar quarter ending in September 2007; and

26 (3) Section 57.048, Utilities Code, is continued in
27 effect for the collection of the assessment due and for civil and

1 criminal enforcement of the liability for that assessment.

2 (c) Regardless of the date on which this Act takes effect, a
3 telecommunications utility or commercial mobile service provider
4 subject to Section 57.048, Utilities Code, may recover from the
5 utility's customers through a monthly billing process the amount of
6 the assessment imposed under that section as provided by Subsection
7 (f) of that section, and the former law is continued in effect for
8 that purpose.

9 SECTION 15. This Act takes effect immediately if it
10 receives a vote of two-thirds of all the members elected to each
11 house, as provided by Section 39, Article III, Texas Constitution.
12 If this Act does not receive the vote necessary for immediate
13 effect, this Act takes effect September 1, 2007.

ADOPTED

MAY 23 2007

Lotay Spaw
Secretary of the Senate

FLOOR AMENDMENT NO. 1

BY:

William
(Williams)

1 Amend House Bill No. 735 (senate committee printing) by
2 striking SECTIONS 14 and 15 (page 5, lines 35 through 66) and
3 substituting:

4 SECTION 14. (a) The assessment imposed under Section
5 57.048, Utilities Code, for the calendar quarter ending in
6 September 2008 is due on the last day of October 2008. The
7 assessment imposed under that section may not be imposed after the
8 end of the calendar quarter ending in September 2008.

9 (b) Section 57.048, Utilities Code, is continued in effect
10 for the collection of the assessment due and for civil and criminal
11 enforcement of the liability for that assessment.

12 (c) A telecommunications utility or commercial mobile
13 service provider subject to Section 57.048, Utilities Code, may
14 recover from the utility's customers through a monthly billing
15 process the amount of the assessment imposed under that section as
16 provided by Subsection (f) of that section, and the former law is
17 continued in effect for that purpose.

18 SECTION 15. This Act takes effect September 1, 2008.

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 17, 2007

TO: Honorable Steve Ogden, Chair, Senate Committee on Finance

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB735 by Straus (Relating to the discontinuation of the Telecommunications Infrastructure Fund.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB735, As Engrossed: a negative impact of (\$386,700,000) through the biennium ending August 31, 2009, if the effective date of the bill is *September 01, 2007*; or a negative impact of (\$421,803,000) through the biennium ending August 31, 2009, if the effective date of the bill is *July 01, 2007*.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from <i>GENERAL REVENUE FUND</i>
	1
2008	(\$175,515,000)
2009	(\$211,185,000)
2010	(\$211,754,000)
2011	(\$212,325,000)
2012	\$0

Fiscal Year	Probable Revenue Gain/(Loss) from <i>GENERAL REVENUE FUND</i>
	1
2008	(\$210,618,000)
2009	(\$211,185,000)
2010	(\$211,754,000)
2011	(\$212,325,000)
2012	\$0

Fiscal Analysis

The bill would repeal Chapter 57, Subchapter C of the Utilities Code, abolishing the Telecommunications Infrastructure Fund (TIF) assessment, effective either September 1, 2007 if the bill passes but receives less than the majority required for immediate effect, or July 1, 2007 if the bill receives the sufficient voting majority to take immediate effect. The bill also would abolish statutory requirements of funding TIF programs and make conforming changes.

Methodology

The bill's fiscal impact is based on the Comptroller's 2008-09 Biennial Revenue Estimate (BRE). Scenario 1 shows the state fiscal impact if the TIF assessment is ended September 1, 2007; scenario 2

shows the state fiscal impact if the assessment is ended July 1, 2007.

Scenario 1: Abolishment of the TIF assessment, effective September 1, 2007, would result in an estimated loss of approximately \$175.5 million in fiscal year 2008 and approximately \$211-213 million each year until fiscal year 2012, at which point the assessment would have expired unless continued as provided by Chapter 325 of the Government Code (the Texas Sunset Act). Because there is a two-month lag between the month in which the assessment is collected and when the assessment is deposited into the state treasury, the FY2008 revenue reduction represents the receipt of two months of revenue from July and August 2007.

Scenario 2: Abolishment of TIF, effective July 1, 2007, would result in an estimated loss of approximately \$210.6 million in fiscal year 2008 and approximately \$211-213 million each year until fiscal year 2012, at which point the assessment would have expired under current law. Because of the two-month lag between the assessment collection and deposit, the fiscal year 2008 revenue reduction represents the full amount of assessment revenue estimated in the Comptroller's BRE.

Technology

This bill would have no significant technology fiscal impact to the state.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 313 Department of Information Resources, 701 Central Education Agency

LBB Staff: JOB, CT, JRO, UP, JGM

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

February 19, 2007

TO: Honorable Phil King, Chair, House Committee on Regulated Industries

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB735 by Straus (Relating to the discontinuation of the Telecommunications Infrastructure Fund.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB735, As Introduced: a negative impact of (\$369,149,000) through the biennium ending August 31, 2009.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2008	(\$157,964,000)
2009	(\$211,185,000)
2010	(\$211,754,000)
2011	(\$212,325,000)
2012	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from <i>GENERAL REVENUE FUND</i> 1
2008	(\$157,964,000)
2009	(\$211,185,000)
2010	(\$211,754,000)
2011	(\$212,325,000)
2012	\$0

Fiscal Analysis

The bill would repeal Chapter 57, Subchapter C of the Utilities Code, abolishing the Telecommunications Infrastructure Fund (TIF) assessment, effective October 1, 2007. The bill also would abolish statutory requirements of funding TIF programs and make conforming changes. The bill would set the due date for the TIF assessment imposed for the 3rd quarter of calendar 2007 on the last day of October 2007.

Methodology

The bill's fiscal impact is based on the Comptroller's 2008-09 Biennial Revenue Estimate. Abolishment of the TIF assessment, effective October 1, 2007, would result in an estimated loss of approximately \$158 million in FY2008 and approximately \$211-213 million each year until FY2012,

at which point the assessment would have expired unless continued as provided by Chapter 325 of the Government Code (the Texas Sunset Act). The FY2008 amount is reduced to represent the receipt of one calendar quarter of revenue.

Technology

This bill would have no significant technology fiscal impact to the state.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 313 Department of Information Resources, 701 Central Education Agency

LBB Staff: JOB, JRO, UP, JGM

