

BILL ANALYSIS

Senate Research Center
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S.B. 781
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Over the past decade, a number of legislative oversight committees have been created to address certain major changes within industries under the jurisdiction of the Senate Committee on Business and Commerce. These oversight committees are composed of members of the legislature as well as relevant industry or agency representatives and are chaired or co-chaired by the chairman of the Senate Committee on Business and Commerce. The boards are all required to meet annually and submit biennial reports to the legislature on the industries they oversee.

Three of these committees have become obsolete, not having held a meeting or produced a report as required by law since 2004, if ever. This legislation would eliminate these three oversight committees, allowing the appropriate standing committees of the senate and house of representatives to continue their oversight of those industries.

Those committees are: the Electric Utility Restructuring Legislative Oversight Committee, which has not held a hearing since 2003; the Property and Casualty Insurance Oversight Committee, which has not held a hearing since 2004; and the Telecommunications Competitiveness Legislative Oversight Committee, which has never held a hearing.

This bill would eliminate these three legislative oversight committees, with existing standing Senate and House committees retaining industry oversight jurisdiction.

Electric Utility Restructuring Legislative Oversight Committee — Charged with overseeing the "deregulation" of the electric utility industry. The committee conducted four public hearings during the 1999-2000 interim and produced a report in 2000. From that time until February 2003, when its second report was released, the committee held 11 public hearings. During its hearings, the committee considered a range of issues affecting the industry, including the role of ERCOT, generation capacity, and oversight of the transitory phase of the deregulation of Texas electric utilities. No hearings were held after February 2003.

The committee was created by S.B. 7, 76th Legislature, Regular Session, 1999, and originally set to expire in 2005, but the Sunset savings bill that session (H.B. 1116, by Solomons) removed the expiration date on this section. The 2004 Sunset Advisory Commission Report states that the removal of the Electric Utility Restructuring Oversight Committee's expiration date "would allow the legislature to determine the proper structure of its committees without review by the Sunset Commission," (Sunset Commission Decisions, September 2004, Sec. 1.1).

Property and Casualty Insurance Oversight Committee — Tasked with overseeing the implementation of a file and use system for the setting of insurance rates. The committee met on October 25, 2004, and produced a report in November 2004. The committee concluded that, following the implementation of a file and use system, personal lines insurance markets in Texas were improving in terms of availability and price competition. No further hearings were held.

The committee was created in 2003, and was originally set to expire in 2007 (Section 1801.002, Insurance Code, relating to the expiration language). In 2005, the Sunset savings bill (H.B. 1116, by Solomons) repealed that expiration language.

Telecommunications Competitiveness Legislative Oversight Committee — Charged with overseeing deregulation of the telecommunications industry with respect to video franchising.

There is no record of this committee ever holding a hearing or producing a report as required by law.

The committee was created in 2005, by Senate Bill 5. It was charged with holding joint public meetings at least annually and producing a biennial report to the legislature, governor, lieutenant governor, and speaker of the house.

As proposed, S.B. 781 amends current law relating to the functions and responsibilities of certain legislative oversight committees.

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 Sections 39.907(e), (g), (i), and (k), Utilities Code, as follows:

(e) Requires the electric utility restructuring legislative oversight committee (committee) to meet with the Public Utility Commission of Texas (PUC) at the call of the joint chairs, rather than at least annually.

(g) Authorizes, rather than requires, the committee to report to the governor, lieutenant governor, and speaker of the house of representatives on the committee's activities under Subsection (e) at the times the committee considers appropriate, rather than not later than November 15 of each even-numbered year. Requires that the report, if the committee submits a report under this subsection, include:

(1) an analysis of any problems caused by electric utility restructuring; and

(2) recommendations of any legislative action necessary to address those problems and to further retail competition within the electric power industry.

Makes a nonsubstantive change.

(i) Authorizes, rather than requires, the committee, in addition to the duties under Subsection (e), to, at the call of the joint chairs, rather than at least twice annually, meet to encourage cooperation and coordination with certain entities.

(k) Authorizes, rather than requires, the committee, at the times the committee considers appropriate, rather than not later than November 15 of each even-numbered year, to report to the governor, the lieutenant governor, and the speaker of the house of representatives on the committee's activities under Subsection (j) (relating to requiring the committee to consider and discuss policies and strategies to ensure that fuel resources available to the state are used in a balanced and efficient manner while taking into consideration the reliability, economic viability, and environmental impact of fuels and technologies).

SECTION 2. Amends Sections 65.252(a) and (g), Utilities Code, as follows:

(a) Authorizes, rather than requires, the committee, at the call of the chair, rather than at least annually, to conduct joint public hearings with PUC regarding the introduction of full competition to telecommunications services in this state.

(g) Authorizes, rather than requires, the committee, at the times the committee considers appropriate, rather than not later than November 15 of each even-numbered year, to report to the governor, lieutenant governor, and speaker of the house of representatives on the committee's activities under this subchapter. Requires that the report, if the committee submits a report under this subsection, include:

(1) an analysis of any problems caused by telecommunications deregulation; and

(2) recommendations for any legislative action necessary to address those problems and to further competition within the telecommunications industry.

Makes a nonsubstantive change.

SECTION 3. Repealer: Chapter 1801 (Property and Casualty Insurance Legislative Oversight Committee), Insurance Code.

SECTION 4. Effective date: upon passage or September 1, 2011.