

BILL ANALYSIS

H.B. 2263
By: Paddie
State Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Concerns have been raised over possible advantages the General Land Office (GLO) has at its disposal in bidding against the competitive electric retail market. H.B. 2263 seeks to address these concerns by removing the authority of the GLO to sell electric power to certain public customers.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

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

H.B. 2263 amends the Natural Resources Code to remove the authorization for the commissioner of the General Land Office (GLO) or certain soil owners to negotiate and execute instruments or agreements necessary to convert the portion of certain oil, gas, and mineral royalties taken in kind into electricity.

H.B. 2263 amends the Utilities Code to remove the authorization for the commissioner, acting on behalf of the state, to sell or otherwise convey power from such royalties taken in kind directly to a public retail customer and repeals related provisions. The bill authorizes the GLO or an entity operating under a contract with the GLO to continue to provide retail electric service under the terms of an agreement with a customer entered into before the bill's effective date until the date the agreement expires. Such an agreement may be extended to a date not later than January 1, 2024.

H.B. 2263 amends the Tax Code, effective January 1, 2024, to prohibit the imposition of a tax on the gross receipts from the sale of electricity to a public school district customer. The bill sets out procedures for adjusting an electric utility's or retail electric provider's billing of a public school district customer to reflect any decrease in the utility's or provider's tax liability to the state that is attributable to that prohibition.

H.B. 2263 repeals the following provisions of the Utilities Code:

- the heading to Subchapter D, Chapter 35
- Section 35.101
- Section 35.103

- Section 35.104
- Section 35.105
- Section 35.106

EFFECTIVE DATE

Except as otherwise provided, on passage, or, if the bill does not receive the necessary vote, September 1, 2019.