

By: Geren

H.B. No. 1581

A BILL TO BE ENTITLED

AN ACT

relating to the sale of electric power to and the imposition of a tax on the gross receipts of electric power for certain public customers.

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

SECTION 1. Section 182.022, Tax Code, is amended by adding Subsection (d) to read as follows:

(d) Notwithstanding any other provisions of this chapter, a tax under this chapter may not be imposed on the gross receipts from the sale of electricity to a public school district customer.

SECTION 2. Section 35.102, Utilities Code, is amended by adding Subsection (c) to read as follows:

(c) In selling or otherwise conveying electric power under this section, the General Land Office letterhead, seal, or other marketing materials may only be used by a person employed by the General Land Office. For the purposes of this section, an employee of an entity with which the General Land Office contracts is not considered to be employed by the General Land Office.

SECTION 3. Subchapter D, Chapter 35, Utilities Code, is amended by adding Section 35.1025 to read as follows:

Sec. 35.1025. PUBLIC BID TO SELL POWER TO PUBLIC RETAIL CUSTOMERS. (a) The commissioner may not sell or otherwise convey power to a public retail customer unless the commissioner submits a public bid in response to a request for proposal in which bids are

1 solicited from multiple power providers to provide power to the  
2 public retail customer.

3 (b) A bid submitted by the commissioner to provide power to  
4 a public retail customer is subject to disclosure under Chapter  
5 552, Government Code.

6 SECTION 4. The change in law made by this Act does not  
7 affect taxes imposed before the effective date of this Act, and the  
8 law in effect before the effective date of this Act is continued in  
9 effect for purposes of the liability for and collection of those  
10 taxes.

11 SECTION 5. (a) As soon as practicable after the effective  
12 date of this Act, the Public Utility Commission of Texas, for an  
13 electric utility regulated under Chapter 36, Utilities Code, shall  
14 provide for the adjustment of the electric utility's billing of a  
15 public school district customer to reflect any decrease in the  
16 utility's tax liability to this state if the decrease is  
17 attributable to the exemption in Section 182.022(d), Tax Code, as  
18 added by this Act. An adjustment must be made effective at the same  
19 time as the decrease of tax liability or as soon after that decrease  
20 occurs as is reasonably practicable. The Public Utility Commission  
21 of Texas is not required to provide for an adjustment if the  
22 commission enters an order for the utility under Subchapter C or D,  
23 Chapter 36, Utilities Code, that accounts for any decrease in the  
24 utility's tax liability attributable to the exemption in Section  
25 182.022(d), Tax Code, as added by this Act. An adjustment is not a  
26 rate case under Subchapter C or D, Chapter 36, Utilities Code.

27 (b) As soon as practicable after the effective date of this

1 Act, a retail electric provider, as defined by Section 31.002,  
2 Utilities Code, shall adjust the billing of a public school  
3 district customer to reflect any decrease in the retail electric  
4 provider's tax liability to this state if the decrease is  
5 attributable to the exemption in Section 182.022(d), Tax Code, as  
6 added by this Act. An adjustment must be made effective at the same  
7 time as the decrease of tax liability or as soon after that decrease  
8 occurs as is reasonably practicable.

9 SECTION 6. This Act takes effect September 1, 2019.