

By: Springer

S.B. No. 1813

A BILL TO BE ENTITLED

AN ACT

relating to the universal service fund.

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

SECTION 1. Section 151.801, Tax Code, is amended by amending Subsection (a) and adding Subsection (d-1) to read as follows:

(a) Except for the amounts allocated under Subsections (b), (c), (c-2), ~~[and]~~ (c-3), and (d-1), all proceeds from the collection of the taxes imposed by this chapter shall be deposited to the credit of the general revenue fund.

(d-1) The first \$200 million of the proceeds received in a state fiscal year from the collection of the taxes imposed by this chapter on telecommunications services shall be deposited to the credit of the universal service fund sales tax receipts account in the general revenue fund. The comptroller shall determine the amount to be deposited under this subsection according to available statistical data indicating the estimated or actual total proceeds in this state from taxes imposed on the sale of telecommunications services.

SECTION 2. Section 51.002, Utilities Code, is amended to read as follows:

Sec. 51.002. DEFINITIONS. In this subtitle:

(1) "Basic local telecommunications service" means:

(A) flat rate residential and business local exchange

1 telephone service, including primary directory listings;

2 (B) tone dialing service;

3 (C) [~~access to operator services~~] access to facilities with  
4 the capability of carrying data or broadband signals ;

5 (D) access to directory assistance services and operator  
6 services;

7 (E) access to 911 service provided by a local authority or  
8 dual party relay service;

9 (F) the ability to report service problems seven days a  
10 week;

11 (G) lifeline and tel-assistance services; and

12 (H) any other service the commission determines after a  
13 hearing is a basic local telecommunications service.

14 SECTION 3. Section 51.002 (10), Utilities Code, is amended  
15 to read as follows:

16 (10) "Telecommunications provider";

17 (A) means:

18 (i) a certificated telecommunications utility;

19 (ii) a shared tenant service provider;

20 (iii) a nondominant carrier of telecommunications  
21 services;

22 (iv) a provider of commercial mobile service as  
23 defined by Section 332(d), Communications Act of 1934 (47 U.S.C.  
24 Section 14 151 et seq.), Federal Communications Commission rules,  
25 and the Omnibus Budget Reconciliation Act of 1993 (Public Law  
26 103-66), except that the term does not include these entities for  
27 the purposes of Chapter 17, 55, or 64;

1 (v) a telecommunications entity that provides central  
2 19 office based PBX-type sharing or resale arrangements;

3 (vi) an interexchange telecommunications carrier;

4 (vii) a specialized common carrier;

5 (viii) a reseller of communications;

6 (ix) a provider of operator services;

7 (x) a provider of customer-owned pay telephone  
8 service;

9 (xi) a provider of Voice over Internet Protocol  
10 service; or

11 [~~(xi)~~](xii) a person or entity determined by the commission to  
12 provide telecommunications services to customers in this state; and

13 (B) does not mean;

14 (i) a provider of enhanced or information services, or another  
15 user of telecommunications services, who does not also provided  
16 telecommunications services; or

17 (ii) a state agency or institution of higher education, or a  
18 service provided by a state agency or state institution of higher  
19 education.

20 SECTION 4. Section 56.022, Utilities Code, is amended to  
21 read as follows:

22 Sec. 56.022. UNIFORM CHARGE.

23 (a) The universal service fund is funded by a statewide  
24 uniform charge payable by each telecommunication provider that has  
25 access to the customer base.

26 (b) A telecommunications provider shall pay the charge in  
27 accordance with procedures approved by the commission.

1 (c) The uniform charge is on services and at rates the  
2 commission determines and may be in the form of a fee or an  
3 assessment on revenues. In establishing the charge and the services  
4 to which the charge will apply, the commission may not:

5 (1) grant an unreasonable preference or advantage to a  
6 telecommunications provider;

7 (2) assess the charge on pay telephone service; [~~or~~]

8 (3) subject a telecommunications provider to unreasonable  
9 prejudice or disadvantage; or

10 (4) assess the charge in a manner that is not technology  
11 neutral or grants an unreasonable preference based on technology.

12 SECTION 5. Subchapter A, Chapter 56, Utilities Code, is  
13 amended by adding Sections 56.003 and 56.004 to read as follows:

14 Sec. 56.003. COMPTROLLER. A reference in this chapter to  
15 the commission means the comptroller.

16 Sec. 56.004. PROHIBITION AGAINST CROSS-SUBSIDIZATION (a) A  
17 company that the Commission determines willfully and knowingly uses  
18 support received under this chapter to subsidize an activity of the  
19 company that is not subject to rate regulation under this subtitle  
20 will be subject to a fine by the commission of up to \$100,000. The  
21 Commission may, by rule, determine a procedure for terminating the  
22 certification of a company that is found to have an ongoing pattern  
23 of such subsidization.

24 SECTION 6. Section 56.021, Utilities Code, is amended to  
25 read as follows:

26 Sec. 56.021. UNIVERSAL SERVICE FUND ESTABLISHED; SALES TAX  
27 RECEIPTS ACCOUNT. (a) The commission shall adopt and enforce rules

1 requiring local exchange companies to establish a universal service  
2 fund to:

3 (1) assist telecommunications providers in providing  
4 basic local telecommunications service at reasonable rates in high  
5 cost rural areas under two plans:

6 (A) the Texas High Cost Universal Service Plan  
7 (16 T.A.C. Section 26.403); and

8 (B) the Small and Rural Incumbent Local Exchange  
9 Company Universal Service Plan (16 T.A.C. Section 26.404);

10 (2) reimburse the telecommunications carrier that  
11 provides the statewide telecommunications relay access service  
12 under Subchapter D;

13 (3) finance the specialized telecommunications  
14 assistance program established under Subchapter E;

15 (4) reimburse the department and the commission for  
16 costs incurred in implementing this chapter and Chapter 57;

17 (5) reimburse a telecommunications carrier providing  
18 lifeline service as provided by 47 C.F.R. Part 54, Subpart E, as  
19 amended;

20 (6) finance the implementation and administration of  
21 the identification process under Section 17.007 for  
22 telecommunications services;

23 (7) reimburse a designated provider under Subchapter  
24 F;

25 (8) reimburse a successor utility under Subchapter G;  
26 and

27 (9) finance the program established under Subchapter

1 H.

2 (b) The universal service fund sales tax receipts account is  
3 an account in the general revenue fund administered by the  
4 commission. The account consists of revenue deposited to the  
5 account under Section 151.801(d-1), Tax Code. Money in the account  
6 is available to be appropriated for the purposes of this chapter.

7 SECTION 7. Subchapter B, Chapter 56, Utilities Code, is  
8 amended by adding Sections 56.034 and 56.035 to read as follows:

9 Sec. 56.034. SUPPORT ALLOCATION. Notwithstanding another  
10 provision of this chapter, the commission shall subdivide each  
11 exchange that serves both urban and rural areas and may require that  
12 support distributed under this chapter be used only for a rural  
13 portion of a subdivided exchange.

14 Sec. 56.035. TRANSITION. (a) The commission shall create  
15 and publish a plan to:

16 (1) over a 15-year period, gradually reduce the amount  
17 of distributions made from the fund for programs other than the  
18 programs described by Section 56.021(1);

19 (b) The plan must include recommendations for statutory  
20 changes necessary to authorize the commission to execute the plan.

21 SECTION 8. (a) In this section, "commission" means the  
22 Public Utility Commission of Texas.

23 (b) On September 1, 2021:

24 (1) all functions and activities related to the  
25 universal service fund established under Chapter 56, Utilities  
26 Code, performed by the commission immediately before that date are  
27 transferred to the comptroller;

1           (2) all rules, fees, policies, procedures, decisions,  
2 and forms related to the universal service fund adopted by the  
3 commission are continued in effect as rules, fees, policies,  
4 procedures, decisions, and forms of the comptroller, as applicable,  
5 and remain in effect until amended or replaced by the comptroller;

6           (3) a complaint, investigation, contested case, or  
7 other proceeding related to the universal service fund before the  
8 commission that is pending on September 1, 2021, is transferred  
9 without change in status to the comptroller;

10          (4) all money, contracts, leases, property, and  
11 obligations related to the universal service fund are transferred  
12 to the comptroller;

13          (5) all property related to the universal service fund  
14 in the custody of the commission is transferred to the comptroller;  
15 and

16          (6) the unexpended and unobligated balance of any  
17 money appropriated by the legislature for the commission for the  
18 purpose of administering the universal service fund is transferred  
19 to the comptroller.

20          (c) The commission shall provide the comptroller with  
21 access to any systems or information necessary for the comptroller  
22 to administer the universal service fund.

23          (d) On September 1, 2021, all full-time equivalent employee  
24 positions at the commission that primarily concern the  
25 administration or enforcement of the universal service fund become  
26 positions at the office of the comptroller.

27          SECTION 9. This Act takes effect September 1, 2021.