

BILL ANALYSIS

H.B. 4246
By: Orr
Business & Industry
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Current law restricts an electric cooperative's ability to claw back unclaimed property to \$2 million statewide. Electric cooperatives would like the ability to claw back up to 50 percent of the unclaimed property reported within a year. Because electric cooperatives are member- and ratepayer-owned nonprofit corporations, any funds that an electric cooperative can claw back could be used to help fund local scholarships, rural economic development, and energy efficiency efforts as current law allows. Electric cooperatives believe that because these funds come from the overpayments of their ratepayers and members, it is more appropriate that the electric cooperative be able to retain more of these funds for the local benefit of ratepayers. H.B. 4246 seeks to change the cap on the amount of money that may be transferred during a state fiscal year by nonprofit cooperative corporations to a scholarship fund for rural students, to stimulate rural economic development, or to provide energy efficiency assistance to members of electric cooperatives.

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. 4246 amends the Property Code to change the cap on the total amount of money that may be transferred during a state fiscal year by all nonprofit cooperative corporations to a scholarship fund for rural students, to stimulate rural economic development, or to provide energy efficiency assistance to members of electric cooperatives from \$2 million to 50 percent of the total money reported for that year by the nonprofit cooperative corporations. The bill removes the limitation that no more than 20 percent of such funds of each nonprofit cooperative be used for economic development.

EFFECTIVE DATE

September 1, 2023.