

BILL ANALYSIS

C.S.H.B. 3701
By: Dyson
Higher Education
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The Texas A&M University (TAMU) System has proposed to create "The Energy Proving Ground" to further research and development across an array of energy technologies. However, the bill author has informed the committee that current law regarding the acquisition or construction of electrical generation power facilities by the TAMU System has not been updated since it was enacted in 1965, other than a re-codification in 1971, and that the TAMU System does not have the authority to own or acquire an electrical generating facility or to acquire a water system or sewer system depending on contractual terms. C.S.H.B. 3701 seeks to address these issues by updating the provisions governing the administration of the TAMU System's utilities and granting authority to the TAMU System's board of regents to construct and acquire power plants located on TAMU System property in Brazos County and to acquire water and sewer systems located on such property.

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

C.S.H.B. 3701 amends the Education Code to authorize the board of regents of The Texas A&M University (TAMU) System, in addition to the authority granted to the system under statutory provisions governing TAMU's utilities, to construct and acquire power plants, and additions to power plants, located on TAMU System property in Brazos County and to acquire water systems and sewer systems located on TAMU System property in Brazos County. The bill makes the following revisions to those statutory provisions:

- removes the specification that the power plants the board may improve and equip are central power plants;
- removes the specification that the frequency with which the board of regents may use its authority under those statutory provisions is from time to time;
- replaces the provision authorizing the board to acquire land for purposes of utilities for the institutions under its control with a provision authorizing the board to acquire property for the institutions under its control for such purposes;
- clarifies that the board may provide water, sewer, steam, power, electricity, or any combination of those services from the plants and other facilities located at each institution to all buildings or facilities that have been or may be constructed at each institution, and may determine the amount to be charged as a part of the maintenance and operation expense of those buildings or facilities for the service or services; and
- clarifies that the board may allocate the cost of providing the services to revenue-producing buildings and facilities and to other buildings and facilities at the institutions.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2025.

COMPARISON OF INTRODUCED AND SUBSTITUTE

While C.S.H.B. 3701 may differ from the introduced in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

While both the introduced and substitute authorize the TAMU board of regents to construct and acquire power plants, and additions to power plants, located on university system property in Brazos County, the substitute omits a specification included in the introduced that this authorization also applies to steam plants and additions to steam plants.