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H.B. No. 7

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the amounts, availability, and use of certain
3 statutorily dedicated revenue and accounts; reducing or affecting
4 the amounts or rates of certain statutorily dedicated fees and
5 assessments; imposing certain court costs.

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

7 SECTION 1. Article 102.018, Code of Criminal Procedure, is
8 amended by adding Subsection (e) to read as follows:

9 (e) On the conviction of an offense relating to the
10 operating of a motor vehicle while intoxicated, as defined by
11 Section 49.09(c)(1)(A) or (B), Penal Code, the court shall impose a
12 cost of \$10 on a defendant. A cost imposed under this subsection is
13 in addition to a cost imposed under Subsection (a), (b), or (c).
14 Each cost collected under this subsection shall be deposited in the
15 account to the credit of the office of the governor as provided by
16 Section 401.106, Government Code, for the prevention of driving
17 while intoxicated.

18 SECTION 2. Subchapter B, Chapter 102, Government Code, is
19 amended by adding Section 102.0215 to read as follows:

20 Sec. 102.0215. ADDITIONAL COURT COSTS: CODE OF CRIMINAL
21 PROCEDURE. A defendant who is convicted of an offense relating to
22 the operating of a motor vehicle while intoxicated shall pay a cost
23 on conviction, in addition to all other costs, to help fund the
24 prevention of driving while intoxicated under Section 401.106,

1 Government Code (Art. 102.018(e), Code of Criminal Procedure) . . .
2 \$10.

3 SECTION 3. Chapter 322, Government Code, is amended by
4 adding Section 322.024 to read as follows:

5 Sec. 322.024. REDUCTION OF RELIANCE ON AVAILABLE DEDICATED
6 REVENUE FOR BUDGET CERTIFICATION. (a) In this section, "available
7 dedicated revenue" means revenue that Section 403.095 makes
8 available for certification under Section 403.121.

9 (b) The board shall:

10 (1) develop and implement a process to review:

11 (A) new legislative enactments that create
12 dedicated revenue; and

13 (B) the appropriation and accumulation of
14 dedicated revenue and available dedicated revenue;

15 (2) develop and implement tools to evaluate the use of
16 available dedicated revenue for state government financing and
17 budgeting; and

18 (3) develop specific and detailed recommendations on
19 actions the legislature may reasonably take to reduce state
20 government's reliance on available dedicated revenue for the
21 purposes of certification under Section 403.121 as authorized by
22 Section 403.095.

23 (c) The board shall incorporate into the board's budget
24 recommendations appropriate measures to reduce state government's
25 reliance on available dedicated revenue for the purposes of
26 certification under Section 403.121 as authorized by Section
27 403.095 and shall include with the budget recommendations plans for

1 further reducing state government's reliance on available
2 dedicated revenue for those purposes for the succeeding six years.

3 (d) For the purpose of reduction of reliance on available
4 dedicated revenue for budget certification, the board shall not set
5 the rate of growth of appropriation as required by Section 316.001
6 to exceed the lesser of:

7 (1) the revenue estimate required by Section 403.121;

8 (2) the estimated rate of growth of the state's economy
9 pursuant to Section 316.002; or

10 (3) a rate equal to the sum of:

11 (A) the estimated biennial rate of growth of the
12 state's population; and

13 (B) the estimated biennial rate of monetary
14 inflation in the state.

15 (e) The board shall determine the estimated biennial rate of
16 growth of the state's population based on the average rate of growth
17 during the preceding six years according to United States Census
18 Bureau estimates as certified by the comptroller. The board shall
19 determine the estimated biennial rate of monetary inflation in the
20 state based on the average rate of change during the preceding six
21 years of the effective consumer price index for the state. For
22 purposes of this subsection, the effective consumer price index for
23 the state is the average of the consumer price indexes as determined
24 by the United States Department of Labor for the Corpus Christi
25 metropolitan area and for the Dallas/Fort Worth metropolitan area.

26 (f) The board shall consult the comptroller as necessary to
27 accomplish the objectives of Subsections (b) and (c).

1 SECTION 4. Subchapter F, Chapter 401, Government Code, is
2 amended by adding Section 401.106 to read as follows:

3 Sec. 401.106. DRIVING WHILE INTOXICATED PREVENTION;
4 COLLECTION OF CERTAIN FEES. (a) In this section, "offense relating
5 to the operating of a motor vehicle while intoxicated" has the
6 meaning assigned by Section 49.09(c), Penal Code.

7 (b) Court costs imposed under Article 102.018(e), Code of
8 Criminal Procedure, shall be deposited in a general revenue
9 dedicated account to the credit of the office of the governor to be
10 used and may be appropriated only for the support of programs for
11 the prevention of offenses relating to the operating of a motor
12 vehicle while intoxicated in this state.

13 SECTION 5. Subchapter F, Chapter 403, Government Code, is
14 amended by adding Section 403.0956 to read as follows:

15 Sec. 403.0956. REALLOCATION OF INTEREST ACCRUED ON CERTAIN
16 DEDICATED REVENUE. Notwithstanding any other law, all interest or
17 other earnings that accrue on all revenue held in an account in the
18 general revenue fund any part of which Section 403.095 makes
19 available for certification under Section 403.121 are available for
20 any general governmental purpose, and the comptroller shall deposit
21 the interest and earnings to the credit of the general revenue fund.

22 This section does not apply to:

23 (1) interest or earnings on revenue deposited in
24 accordance with Section 51.008, Education Code; or

25 (2) an account that accrues interest or other earnings
26 on deposits of state or federal money the diversion of which is
27 specifically excluded by state or federal law.

1 SECTION 6. Sections 361.013(a) and (f), Health and Safety
2 Code, are amended to read as follows:

3 (a) Except as provided by Subsections (e) through (i), the
4 commission shall charge a fee on all solid waste that is disposed of
5 within this state. The fee is 94 cents [~~\$1.25~~] per ton received for
6 disposal at a municipal solid waste landfill if the solid waste is
7 measured by weight. If the solid waste is measured by volume, the
8 fee for compacted solid waste is 30 [~~40~~] cents per cubic yard and
9 the fee [~~or~~] for uncompact solid waste is 19 [~~7.25~~] cents per
10 cubic yard received for disposal at a municipal solid waste
11 landfill. The commission shall set the fee for sludge or similar
12 waste applied to the land for beneficial use on a dry weight basis
13 and for solid waste received at an incinerator or a shredding and
14 composting facility at half the fee set for solid waste received for
15 disposal at a landfill. The commission may charge comparable fees
16 for other means of solid waste disposal that are used.

17 (f) The commission may not charge a fee under Subsection (a)
18 for source separated [~~yard waste~~] materials that are processed
19 [~~composted~~] at a composting and mulch processing facility,
20 including a composting and mulch processing facility located at a
21 permitted landfill site. The commission shall credit any fee
22 payment due under Subsection (a) for any material received and
23 processed [~~converted~~] to compost or mulch product at the facility
24 [~~for composting through a composting process~~]. Any compost or
25 mulch product that is produced at a [~~for~~] composting and mulch
26 processing facility that is [~~not~~] used in the operation of the
27 facility or is disposed of [~~as compost and is deposited~~] in a

1 landfill is not exempt from the fee.

2 SECTION 7. Sections 361.014(a) and (b), Health and Safety
3 Code, are amended to read as follows:

4 (a) Revenue received by the commission under Section
5 361.013 shall be deposited in the state treasury to the credit of
6 the commission. Of that [~~Half of the~~] revenue, 66.7 percent is
7 dedicated to the commission's municipal solid waste permitting
8 programs, [and] enforcement programs, and site remediation
9 programs, and [~~related support activities and~~] to pay for
10 activities that will enhance the state's solid waste management
11 program. The commission shall issue a biennial report to the
12 legislature describing in detail how the money was spent. The
13 activities to enhance the state's solid waste management program
14 must include [~~, including~~]:

15 (1) provision of funds for the municipal solid waste
16 management planning fund and the municipal solid waste resource
17 recovery applied research and technical assistance fund
18 established by the Comprehensive Municipal Solid Waste Management,
19 Resource Recovery, and Conservation Act (Chapter 363);

20 (2) conduct of demonstration projects and studies to
21 help local governments of various populations and the private
22 sector to convert to accounting systems and set rates that reflect
23 the full costs of providing waste management services and are
24 proportionate to the amount of waste generated;

25 (3) provision of technical assistance to local
26 governments concerning solid waste management;

27 (4) establishment of a solid waste resource center in

1 the commission and an office of waste minimization and recycling;

2 (5) provision of supplemental funding to local
3 governments for the enforcement of this chapter, the Texas Litter
4 Abatement Act (Chapter 365), and Chapters 391 and 683,
5 Transportation Code;

6 (6) conduct of a statewide public awareness program
7 concerning solid waste management;

8 (7) provision of supplemental funds for other state
9 agencies with responsibilities concerning solid waste management,
10 recycling, and other initiatives with the purpose of diverting
11 recyclable waste from landfills;

12 (8) conduct of research to promote the development and
13 stimulation of markets for recycled waste products;

14 (9) creation of a state municipal solid waste
15 superfund, from funds appropriated, for:

16 (A) the cleanup of unauthorized tire dumps and
17 solid waste dumps for which a responsible party cannot be located or
18 is not immediately financially able to provide the cleanup;

19 (B) the cleanup or proper closure of abandoned or
20 contaminated municipal solid waste sites for which a responsible
21 party is not immediately financially able to provide the cleanup;
22 and

23 (C) remediation, cleanup, and proper closure of
24 unauthorized recycling sites for which a responsible party is not
25 immediately financially able to perform the remediation, cleanup,
26 and closure;

27 (10) provision of funds to mitigate the economic and

1 environmental impacts of lead-acid battery recycling activities on
2 local governments; and

3 (11) provision of funds for the conduct of research by
4 a public or private entity to assist the state in developing new
5 technologies and methods to reduce the amount of municipal waste
6 disposed of in landfills.

7 (b) Of [~~Half of~~] the revenue received by the commission
8 under Section 361.013, 33.3 percent is dedicated to local and
9 regional solid waste projects consistent with regional plans
10 approved by the commission in accordance with this chapter and to
11 update and maintain those plans. Those revenues shall be allocated
12 to municipal solid waste geographic planning regions for use by
13 local governments and regional planning commissions according to a
14 formula established by the commission that takes into account
15 population, area, solid waste fee generation, and public health
16 needs. Each planning region shall issue a biennial report to the
17 legislature detailing how the revenue is spent. A project or
18 service funded under this subsection must promote cooperation
19 between public and private entities and may not be otherwise
20 readily available or create a competitive advantage over a private
21 industry that provides recycling or solid waste services.

22 SECTION 8. Section 361.133, Health and Safety Code, is
23 amended by adding Subsection (c-1) to read as follows:

24 (c-1) Notwithstanding Subsection (c), money in the account
25 attributable to fees imposed under Section 361.138 may be used for
26 environmental remediation at the site of a closed battery recycling
27 facility located in the municipal boundaries of a municipality if

1 the municipality submits to the commission a voluntary compliance
2 plan for the site and is paying or has paid for part of the costs of
3 the environmental remediation of the site. This subsection expires
4 September 30, 2014.

5 SECTION 9. Section 771.0711(c), Health and Safety Code, is
6 amended to read as follows:

7 (c) Money collected under Subsection (b) may be used only
8 for services related to 9-1-1 services, including automatic number
9 identification and automatic location information services, or as
10 authorized by Section 771.079(c). Not later than the 15th day after
11 the end of the month in which the money is collected, the commission
12 shall distribute to each emergency communication district that does
13 not participate in the state system a portion of the money that
14 bears the same proportion to the total amount collected that the
15 population of the area served by the district bears to the
16 population of the state. The remaining money collected under
17 Subsection (b) shall be deposited to the 9-1-1 services fee
18 account.

19 SECTION 10. Section 771.079, Health and Safety Code, is
20 amended by amending Subsection (c) and adding Subsection (c-1) to
21 read as follows:

22 (c) Except as provided by Subsection (c-1), money [~~Money~~] in
23 the account may be appropriated only to the commission for
24 planning, development, provision, or enhancement of the
25 effectiveness of 9-1-1 service or for contracts with regional
26 planning commissions for 9-1-1 service, including for the purposes
27 of:

1 (1) maintaining 9-1-1 service levels while providing
2 for a transition to a system capable of addressing newer
3 technologies and capable of addressing other needs;

4 (2) planning and deploying statewide, regional, and
5 local emergency network systems; and

6 (3) updating geospatial mapping technologies.

7 (c-1) The legislature may appropriate money from the
8 account to provide assistance to volunteer fire departments under
9 Subchapter G, Chapter 614, Government Code, only if:

10 (1) the purposes described by Subsection (c) have been
11 accomplished or are fully funded for the fiscal period for which an
12 appropriation under this subsection is made; and

13 (2) all other sources of revenue dedicated for the
14 purposes of providing assistance to volunteer fire departments
15 under Subchapter G, Chapter 614, Government Code, are obligated for
16 the fiscal period for which an appropriation under this subsection
17 is made.

18 SECTION 11. Section 780.003(a), Health and Safety Code, is
19 amended to read as follows:

20 (a) The designated trauma facility and emergency medical
21 services account is created as a dedicated account in the general
22 revenue fund of the state treasury. Money in the account may be
23 appropriated only to:

24 (1) the department for the purposes described by
25 Section 780.004; or

26 (2) the Texas Higher Education Coordinating Board for
27 graduate-level:

1 (A) medical education programs; or

2 (B) nursing education programs.

3 SECTION 12. Section 2007.002, Insurance Code, is amended to
4 read as follows:

5 Sec. 2007.002. ASSESSMENT. The comptroller shall assess
6 against all insurers to which this chapter applies amounts for each
7 state fiscal year necessary, as determined by the commissioner, to
8 collect a combined total equal to the total amount that the General
9 Appropriations Act appropriates from the volunteer fire department
10 assistance fund account in the general revenue fund for that state
11 fiscal year [~~of \$30 million for each 12-month period~~].

12 SECTION 13. Section 81.067(c), Natural Resources Code, is
13 amended to read as follows:

14 (c) The fund consists of:

15 (1) proceeds from bonds and other financial security
16 required by this chapter and benefits under well-specific plugging
17 insurance policies described by Section 91.104(c) that are paid to
18 the state as contingent beneficiary of the policies, subject to the
19 refund provisions of Section 91.1091, if applicable;

20 (2) private contributions, including contributions
21 made under Section 89.084;

22 (3) expenses collected under Section 89.083;

23 (4) fees imposed under Section 85.2021;

24 (5) costs recovered under Section 91.457 or 91.459;

25 (6) proceeds collected under Sections 89.085 and
26 91.115;

27 (7) interest earned on the funds deposited in the

1 fund;

2 (8) oil and gas waste hauler permit application fees
3 collected under Section 29.015, Water Code;

4 (9) costs recovered under Section 91.113(f);

5 (10) hazardous oil and gas waste generation fees
6 collected under Section 91.605;

7 (11) oil-field cleanup regulatory fees on oil
8 collected under Section 81.116;

9 (12) oil-field cleanup regulatory fees on gas
10 collected under Section 81.117;

11 (13) fees for a reissued certificate collected under
12 Section 91.707;

13 (14) fees collected under Section 91.1013;

14 (15) fees collected under Section 89.088;

15 (16) fees collected under Section 91.142;

16 (17) fees collected under Section 91.654;

17 (18) costs recovered under Sections 91.656 and 91.657;

18 (19) two-thirds of the fees collected under Section
19 81.0521;

20 (20) fees collected under Sections 89.024 and 89.026;

21 (21) legislative appropriations; ~~and~~

22 (22) any surcharges collected under Section 81.070;

23 and

24 (23) fees collected under Section 91.0115.

25 SECTION 14. Section 81.068, Natural Resources Code, is
26 amended to read as follows:

27 Sec. 81.068. PURPOSE OF OIL AND GAS REGULATION AND CLEANUP

1 FUND. Money in the oil and gas regulation and cleanup fund may be
2 used by the commission or its employees or agents for any purpose
3 related to the regulation of oil and gas development, including oil
4 and gas monitoring and inspections, oil and gas remediation, oil
5 and gas well plugging, public information and services related to
6 those activities, the study and evaluation of electronic access to
7 geologic data and surface casing depths necessary to protect usable
8 groundwater in this state, and administrative costs and state
9 benefits for personnel involved in those activities.

10 SECTION 15. Section 91.0115, Natural Resources Code, is
11 amended by amending Subsection (c) and adding Subsection (d) to
12 read as follows:

13 (c) The commission shall charge a fee not to exceed \$75, in
14 addition to the fee required by Subsection (b), for processing a
15 request to expedite a letter of determination. [~~Money collected~~
16 ~~under this subsection may be used to study and evaluate electronic~~
17 ~~access to geologic data and surface casing depths under Section~~
18 ~~91.020.~~]

19 (d) The fees collected under this section shall be deposited
20 in the oil and gas regulation and cleanup fund.

21 SECTION 16. Section 151.801(c-1), Tax Code, is amended to
22 read as follows:

23 (c-1) Except as provided by this subsection, the [~~The~~]
24 comptroller may not credit to the Parks and Wildlife Department or
25 the Texas Historical Commission any amounts under this section that
26 are in excess of the amounts appropriated to the department or
27 commission for that biennium[~~, less any other amounts to which the~~

1 ~~department or commission is entitled].~~ In addition to amounts
2 appropriated to the Parks and Wildlife Department from the proceeds
3 described by Subsection (c), the comptroller shall transfer to
4 appropriate department accounts amounts from those proceeds
5 sufficient to fund the state contributions for employee benefits of
6 Parks and Wildlife Department employees whose salaries or wages are
7 paid from department accounts receiving the transfers.

8 SECTION 17. Section 501.138(b-2), Transportation Code, is
9 amended to read as follows:

10 (b-2) The comptroller shall establish a record of the amount
11 of the fees deposited to the credit of the Texas Mobility Fund under
12 Subsection (b-1) and shall monitor transfers to and from the Texas
13 emissions reduction plan fund. On or before the fifth workday of
14 each month, the department shall remit to the comptroller for
15 deposit to the credit of the Texas emissions reduction plan fund an
16 amount of money, not to exceed ~~[equal to]~~ the amount of the fees
17 deposited by the comptroller to the credit of the Texas Mobility
18 Fund under Subsection (b-1) in the preceding month, the comptroller
19 determines is necessary to meet amounts appropriated from the Texas
20 emissions reduction plan fund or, after consultation with the Texas
21 Commission on Environmental Quality, if a fee is imposed on
22 stationary sources in a county located in a nonattainment area as
23 provided by 42 U.S.C. Section 7511d, an amount of money not to
24 exceed the amount of the total of fees attributable to applicants
25 for titles, other than the state or political subdivisions of the
26 state, who reside in a county located in a nonattainment area or in
27 an affected county, as described by Subsection (a)(1). The

1 department shall use for remittance to the comptroller as required
2 by this subsection money in the state highway fund that is not
3 required to be used for a purpose specified by Section 7-a, Article
4 VIII, Texas Constitution, and may not use for that remittance money
5 received by this state under the congestion mitigation and air
6 quality improvement program established under 23 U.S.C. Section
7 149. The Texas Transportation Commission may designate for
8 congestion mitigation projects or for deposit to the Texas rail
9 relocation fund eligible amounts retained in the state highway fund
10 because the amounts were not required to be remitted under this
11 subsection on the condition that the Texas Commission on
12 Environmental Quality, after a public hearing, finds that the use
13 of the funds for those purposes will be at least as effective as
14 other eligible uses of those funds under the Texas emissions
15 reduction plan in maintaining or attaining compliance with the
16 federal Clean Air Act and notifies the Texas Transportation
17 Commission of that finding. Unless that condition is met, the
18 amounts shall be deposited to the credit of the Texas emissions
19 reduction plan fund. The Texas Commission on Environmental Quality
20 by rule shall adopt criteria for making the finding required by this
21 subsection.

22 SECTION 18. Subchapter G, Chapter 504, Transportation Code,
23 is amended by adding Section 504.6012 to read as follows:

24 Sec. 504.6012. ELIMINATION OF DEDICATED REVENUE ACCOUNTS;
25 REVENUES IN TRUST. (a) Notwithstanding any other provision of this
26 subchapter, not later than September 30, 2013, the comptroller
27 shall eliminate all dedicated accounts established for specialty

1 license plates under this subchapter and shall set aside the
2 balances of those dedicated accounts so that the balances may be
3 appropriated only for the purposes intended as provided by the
4 dedications.

5 (b) On and after September 1, 2013, the portion of a fee
6 payable under this subchapter that is designated for deposit to a
7 dedicated account shall be paid instead to the credit of an account
8 in a trust fund created by the comptroller outside the general
9 revenue fund. The comptroller shall administer the trust fund and
10 accounts and may allocate the corpus and earnings on each account
11 only in accordance with the dedications of the revenue deposited to
12 the trust fund accounts.

13 SECTION 19. Section 17.007, Utilities Code, is amended to
14 read as follows:

15 Sec. 17.007. ELIGIBILITY PROCESS FOR CUSTOMER SERVICE
16 DISCOUNTS. The commission by rule shall provide for an integrated
17 eligibility process for customer service discounts, including
18 discounts under Sections 39.9035 [~~39.903~~] and 55.015.

19 SECTION 20. Section 39.002, Utilities Code, is amended to
20 read as follows:

21 Sec. 39.002. APPLICABILITY. This chapter, other than
22 Sections 39.155, 39.157(e), 39.203, 39.903, 39.9035, 39.904,
23 39.9051, 39.9052, and 39.914(e), does not apply to a municipally
24 owned utility or an electric cooperative. Sections 39.157(e),
25 39.203, and 39.904, however, apply only to a municipally owned
26 utility or an electric cooperative that is offering customer
27 choice. If there is a conflict between the specific provisions of

1 this chapter and any other provisions of this title, except for
2 Chapters 40 and 41, the provisions of this chapter control.

3 SECTION 21. Subchapter Z, Chapter 39, Utilities Code, is
4 amended by amending Section 39.903 and adding Section 39.9035 to
5 read as follows:

6 Sec. 39.903. SYSTEM BENEFIT FUND. (a) The system benefit
7 fund is an account in the general revenue fund. Money in the
8 account may be appropriated only for the purposes provided by this
9 section [~~or other law~~]. Interest earned on the system benefit fund
10 shall be credited to the fund. Section 403.095, Government Code,
11 does not apply to the system benefit fund.

12 (b) The system benefit fund is financed by a nonbypassable
13 system benefit fund fee set by the commission in an amount not to
14 exceed two [~~65~~] cents per megawatt hour. The system benefit fund
15 fee is allocated to customers based on the amount of kilowatt hours
16 used.

17 (c) The nonbypassable system benefit fund fee may not be
18 imposed on the retail electric customers of a municipally owned
19 utility or electric cooperative before the sixth month preceding
20 the date on which the utility or cooperative implements customer
21 choice. Money distributed from the system benefit fund to a
22 municipally owned utility or an electric cooperative shall be
23 proportional to the nonbypassable fee paid by the municipally owned
24 utility or the electric cooperative [~~, subject to the reimbursement~~
25 ~~provided by Subsection (i)~~]. On request by a municipally owned
26 utility or electric cooperative, the commission shall reduce the
27 nonbypassable fee imposed on retail electric customers served by

1 the municipally owned utility or electric cooperative by an amount
 2 equal to the amount provided by the municipally owned utility or
 3 electric cooperative or its ratepayers for [~~local low-income~~
 4 ~~programs and~~] local programs that educate customers about the
 5 retail electric market in a neutral and nonpromotional manner. The
 6 commission shall adopt rules providing for reimbursements from
 7 appropriated system benefit fund money for activities authorized
 8 for funding under this section.

9 (d) The commission shall annually review and approve system
 10 benefit fund accounts, projected revenue requirements, and
 11 proposed nonbypassable fees. The commission shall report to the
 12 electric utility restructuring legislative oversight committee if
 13 the system benefit fund fee is insufficient to fund the purposes set
 14 forth in Subsection (e) to the extent required by this section.

15 (e) Money in the system benefit fund may be appropriated to
 16 provide funding solely for the following regulatory purposes [~~in~~
 17 ~~the following order of priority~~]:

18 (1) [~~programs to:~~
 19 [~~(A) assist low-income electric customers by~~
 20 ~~providing the 10 percent reduced rate prescribed by Subsection (h),~~
 21 ~~and~~

22 [~~(B) provide one-time bill payment assistance to~~
 23 ~~electric customers who are or who have in their households one or~~
 24 ~~more seriously ill or disabled low-income persons and who have been~~
 25 ~~threatened with disconnection for nonpayment,~~

26 [~~(2)~~] customer education programs;

27 (2) [~~7~~] administrative expenses incurred by the

1 commission in implementing and administering this chapter;

2 (3) [~~and~~] expenses incurred by the office under this
3 chapter;

4 (4) [~~(3)~~] programs to assist low-income electric
5 customers by providing weatherization or other [~~the targeted~~]
6 energy efficiency programs [~~described by Subsection (f)(2)~~];

7 [~~(4) programs to assist low-income electric customers~~
8 ~~by providing the 20 percent reduced rate prescribed by Subsection~~
9 ~~(h)~~]; and

10 (5) reimbursement to the commission and the Health and
11 Human Services Commission for expenses incurred in the
12 implementation and administration of an integrated eligibility
13 process created under Section 17.007 for customer service discounts
14 relating to retail electric service, including outreach expenses
15 the commission determines are reasonable and necessary.

16 (f) The legislature may appropriate from the system benefit
17 fund not more than \$100 million each state fiscal biennium for the
18 purposes of Subsection (e)(4). Money appropriated from the system
19 benefit fund for the purposes of Subsection (e)(4) must be
20 transferred to the low-income electric customers program fund for
21 disbursement under Section 39.9035.

22 Sec. 39.9035. LOW-INCOME ELECTRIC CUSTOMERS PROGRAM FUND.

23 (a) In this section, "critical care residential customer" means a
24 residential customer who has a person permanently residing in the
25 customer's home who is diagnosed by a physician as being dependent
26 on an electric-powered medical device to sustain life.

27 (b) The commission shall adopt and enforce rules requiring

1 transmission and distribution utilities to establish a low-income
2 electric customers program fund under commission oversight. The
3 rules must provide for:

4 (1) the fund to be established as a trust fund outside
5 of the state treasury;

6 (2) the fund to be held by an administrator selected by
7 the transmission and distribution utilities in accordance with
8 standards adopted by the commission; and

9 (3) any interest earned on money in the fund to be
10 credited to the fund.

11 (c) The administrator serves as trustee of the fund for the
12 benefit of low-income electric customer programs described by this
13 section, and in accordance with commission rules, the administrator
14 may make any payments or reimbursements from the fund to further the
15 programs. Commission rules must prescribe the maximum percentage
16 of money available in the fund that may be used for the expenses of
17 administering the fund and for annual independent auditing of the
18 fund and expenditures and other transactions related to the fund.
19 The commission or its agents may at any time examine any records
20 related to the fund or investigate any fund-related expenditures or
21 expenses. The administrator and each transmission and distribution
22 utility shall fully cooperate with any investigation regarding the
23 fund conducted by the commission or its agents.

24 (d) The commission by rule shall impose a nonbypassable
25 low-income electric customers program fund fee to be set by the
26 commission in an amount not to exceed 50 cents per megawatt hour,
27 allocated to customers based on the amount of kilowatt hours used.

1 (e) The commission shall provide for a nonbypassable fee in
2 the same amount as the fee imposed under Subsection (d) to be
3 imposed on the retail electric customers of a municipally owned
4 utility or electric cooperative beginning on the first day of the
5 sixth month preceding the date on which the utility or cooperative
6 implements customer choice. Money distributed from the system
7 benefit fund to a municipally owned utility or an electric
8 cooperative shall be proportional to the nonbypassable fee paid by
9 the municipally owned utility or the electric cooperative. On
10 request by a municipally owned utility or electric cooperative, the
11 commission shall reduce the nonbypassable fee imposed on retail
12 electric customers served by the municipally owned utility or
13 electric cooperative by an amount equal to the amount provided by
14 the municipally owned utility or electric cooperative or its
15 ratepayers for local low-income programs.

16 (f) Commission rules adopted under this section must
17 provide that the low-income electric customers program fund fees
18 collected for the programs described by this section are collected
19 through the rates of the transmission and distribution service
20 providers and deposited into the low-income electric customers
21 program fund.

22 (g) Except as provided by Subsection (h), money in the
23 low-income electric customers program fund may be spent only for
24 the following regulatory purposes and must be allocated as follows:

25 (1) not more than 96 percent of the money available in
26 the fund must be used to provide a 15 percent reduced rate for
27 low-income households for each billing period during the months of

1 May through October of each year; and

2 (2) not more than 4 percent of the money available in
3 the fund must be used for bill payment assistance for critical care
4 residential customers with total household incomes not to exceed
5 400 percent of the federal poverty guidelines.

6 (h) Only money appropriated for the purposes of Section
7 39.903(e)(4) and transferred to the fund may be used to finance
8 low-income electric customer weatherization programs under this
9 section. The programs must be operated by a statewide network of
10 federal weatherization program providers under federal
11 weatherization program guidelines and may include related
12 low-income energy efficiency programs.

13 ~~(i) [(f) Notwithstanding Section 39.106(b), the commission~~
14 ~~shall adopt rules regarding programs to assist low-income electric~~
15 ~~customers on the introduction of customer choice. The programs may~~
16 ~~not be targeted to areas served by municipally owned utilities or~~
17 ~~electric cooperatives that have not adopted customer choice. The~~
18 ~~programs shall include:~~

19 ~~[(1) reduced electric rates as provided by Subsections~~
20 ~~(h)-(1); and~~

21 ~~[(2) targeted energy efficiency programs to be~~
22 ~~administered by the Texas Department of Housing and Community~~
23 ~~Affairs in coordination with existing weatherization programs.~~

24 ~~[(g)]~~ Until customer choice is introduced in a power region,
25 an electric utility may not reduce, in any manner, programs already
26 offered to assist low-income electric customers.

27 (j) [(h)] The commission shall adopt rules for a retail

1 electric provider to determine a reduced rate for eligible
2 customers to be discounted off the standard retail service package
3 as approved by the commission under Section 39.106 and shall
4 require a retail electric provider to apply the same reduction to
5 any rate plan under which an eligible low-income electric customer
6 is receiving service [~~, or the price to beat established by Section~~
7 ~~39.202, whichever is lower~~]. Municipally owned utilities and
8 electric cooperatives shall establish a reduced rate for eligible
9 customers to be discounted off the standard retail service package
10 established under Section 40.053 or 41.053, as appropriate, so that
11 the total of the discounts provided under this section is
12 proportional to the total of the nonbypassable fees imposed as
13 provided by Section 39.9035(e) that are collected from the retail
14 electric customers of the utility or cooperative. The reduced rate
15 for a retail electric provider shall result in a total charge for
16 each billing period that is at least 15 [~~10~~] percent [~~and, if~~
17 ~~sufficient money in the system benefit fund is available, up to 20~~
18 ~~percent,~~] lower than the amount the customer would otherwise be
19 charged for each billing period. To the extent the low-income
20 electric customers program [~~system benefit~~] fund is insufficient to
21 pay for [~~fund~~] the 15 [~~initial 10~~] percent rate reduction, the
22 commission may increase the fee to an amount of not more than 50
23 [~~65~~] cents per megawatt hour, as provided by Subsection (d) [~~(b)~~].
24 If the fee is set at 50 [~~65~~] cents per megawatt hour or if the
25 commission determines that revenues anticipated to be due for
26 deposit to the fund are [~~appropriations are~~] insufficient to pay
27 for [~~fund~~] the 15 [~~10~~] percent rate reduction, the commission shall

1 ~~may~~ reduce the rate of the reduction to less than 15 ~~10~~ percent.
2 For a municipally owned utility or electric cooperative, the
3 reduced rate shall be equal to an amount that can be fully funded by
4 that portion of the nonbypassable fee proceeds paid by the
5 municipally owned utility or electric cooperative that is allocated
6 to the utility or cooperative by the commission under Subsection
7 (g) ~~(e)~~ for programs for low-income customers of the utility or
8 cooperative. The reduced rate for municipally owned utilities and
9 electric cooperatives under this section is in addition to any rate
10 reduction that may result from local programs for low-income
11 customers of the municipally owned utilities or electric
12 cooperatives. Before August 1 of each even-numbered year, the
13 commission shall project whether revenue anticipated to be due for
14 deposit to the fund during the next state fiscal biennium will be
15 sufficient to pay for the 15 percent rate reduction. If the
16 commission projects that the anticipated revenue would be
17 insufficient to pay for the rate reduction, not later than August 1
18 the commission shall report to the Legislative Budget Board the
19 additional amount that would be necessary to pay for the rate
20 reduction and request that the board include in the budget for that
21 biennium an appropriation in that amount to the commission for that
22 purpose from the system benefit fund or another source.
23 Notwithstanding Section 39.903, the legislature may appropriate
24 money from the system benefit fund for the purpose of ensuring
25 sufficient funding to pay for the rate reduction.

26 (k) ~~(i)~~ A retail electric provider, municipally owned
27 utility, or electric cooperative seeking reimbursement from the

1 low-income electric customers program [~~system benefit~~] fund may not
2 charge an eligible low-income customer a rate higher than the
3 appropriate rate determined under Subsection (j) [~~(h)~~].
4 Commission rules must provide for [~~A retail electric provider not~~
5 ~~subject to the price to beat, or~~] a municipally owned utility or
6 electric cooperative subject to the nonbypassable fee under
7 Subsection (e) to [~~(c), shall~~] be reimbursed from the [~~system~~
8 ~~benefit~~] fund for the difference between the reduced rate and the
9 rate established under [~~Section 39.106 or, as appropriate, the rate~~
10 ~~established under~~] Section 40.053 or 41.053, as appropriate. A
11 retail electric provider [~~who is subject to the price to beat~~] shall
12 be reimbursed from the [~~system benefit~~] fund for the difference
13 between the reduced rate and the rate plan under which the customer
14 is receiving service [~~the price to beat~~]. The commission shall
15 adopt rules providing for the reimbursement.

16 (1) [~~(j)~~] The commission shall adopt rules providing for
17 methods of enrolling customers eligible to receive the reduced
18 rates determined under Subsection (j) [~~(h)~~]. The rules must
19 provide for automatic enrollment as one enrollment option. The
20 Health and [~~Texas Department of~~] Human Services Commission, on
21 request of the commission, shall assist in the adoption and
22 implementation of these rules. The commission and the Health and
23 [~~Texas Department of~~] Human Services Commission shall enter into a
24 memorandum of understanding establishing the respective duties of
25 the agencies [~~commission and the department~~] in relation to the
26 automatic enrollment. Rules adopted under this section must
27 provide that:

1 (1) an electric customer eligible for the reduced
2 rates determined under Subsection (j) is also eligible for reduced
3 rates for telecommunications services offered for low-income
4 customers; and

5 (2) a customer eligible for reduced rates for
6 telecommunications services offered for low-income customers is
7 also eligible for the reduced rates established under Subsection
8 (j).

9 (m) [~~(j-1)~~] The commission shall adopt rules governing the
10 bill payment assistance program provided under Subsection (g)(2)
11 [~~(e)(1)(B)~~]. The rules must provide that a customer is eligible to
12 receive the assistance only if the assistance is necessary to
13 prevent the disconnection of service for nonpayment of bills for a
14 critical care residential customer [~~and the electric customer is or~~
15 ~~has in the customer's household one or more seriously ill or~~
16 ~~disabled low-income persons whose health or safety may be injured~~
17 ~~by the disconnection]. The commission may prescribe the
18 documentation necessary to demonstrate eligibility for the
19 assistance and may establish additional eligibility criteria. The
20 Health and Human Services Commission, on request of the commission,
21 shall assist in the adoption and implementation of these rules.~~

22 (n) [~~(k)~~] A retail electric provider is prohibited from
23 charging the customer a fee for participation in the reduced rate
24 program.

25 (o) Notwithstanding Subsections (d), (e), (f), and (j), the
26 low-income electric customers program fund fee may not be imposed
27 after August 31, 2023. After that date, the commission and the

1 administrator shall undertake to continue the low-income electric
2 customers programs described by this section until the balances of
3 the fund and the system benefit fund are exhausted.

4 ~~[(1) For the purposes of this section, a "low-income~~
5 ~~electric customer" is an electric customer:~~

6 ~~[(1) whose household income is not more than 125~~
7 ~~percent of the federal poverty guidelines; or~~

8 ~~[(2) who receives food stamps from the Texas~~
9 ~~Department of Human Services or medical assistance from a state~~
10 ~~agency administering a part of the medical assistance program.]~~

11 SECTION 22. Section 39.905(f), Utilities Code, is amended
12 to read as follows:

13 (f) Unless funding is provided under Section 39.9035
14 ~~[39.903]~~, each unbundled transmission and distribution utility
15 shall include in its energy efficiency plan a weatherization and
16 ~~[targeted]~~ low-income energy efficiency program as described by
17 Section 39.9035(h) ~~[39.903(f)(2)]~~, and the savings achieved by the
18 program shall count toward the transmission and distribution
19 utility's energy efficiency goal. The commission shall determine
20 the appropriate level of funding to be allocated to both the
21 required weatherization programs ~~[targeted]~~ and standard offer
22 low-income energy efficiency programs in each unbundled
23 transmission and distribution utility service area. The level of
24 funding for the required weatherization programs and low-income
25 energy efficiency programs shall be provided from money approved by
26 the commission for the transmission and distribution utility's
27 energy efficiency programs. The commission shall ensure that

1 annual expenditures for the required weatherization programs and
2 ~~[targeted]~~ low-income energy efficiency programs of each unbundled
3 transmission and distribution utility are not less than 10 percent
4 of the transmission and distribution utility's energy efficiency
5 budget for the year. A required weatherization program or a
6 ~~[targeted]~~ low-income energy efficiency program must comply with
7 the same audit requirements that apply to federal weatherization
8 subrecipients. In an energy efficiency cost recovery factor
9 proceeding related to expenditures under this subsection, the
10 commission shall make findings of fact regarding whether the
11 utility meets requirements imposed under this subsection. The
12 state agency that administers the federal weatherization
13 assistance program shall provide reports as required by the
14 commission to provide the most current information available on
15 energy and peak demand savings achieved in each transmission and
16 distribution utility service area. The agency shall participate in
17 energy efficiency cost recovery factor proceedings related to
18 expenditures under this subsection to ensure that the required
19 weatherization programs and ~~[targeted]~~ low-income weatherization
20 programs are consistent with federal weatherization programs and
21 adequately funded.

22 SECTION 23. Section 40.001(a), Utilities Code, is amended
23 to read as follows:

24 (a) Notwithstanding any other provision of law, except
25 Sections 39.155, 39.157(e), 39.203, 39.903, 39.9035, and 39.904,
26 this chapter governs the transition to and the establishment of a
27 fully competitive electric power industry for municipally owned

1 utilities. With respect to the regulation of municipally owned
2 utilities, this chapter controls over any other provision of this
3 title, except for sections in which the term "municipally owned
4 utility" is specifically used.

5 SECTION 24. Section 40.004, Utilities Code, is amended to
6 read as follows:

7 Sec. 40.004. JURISDICTION OF COMMISSION. Except as
8 specifically otherwise provided in this chapter, the commission has
9 jurisdiction over municipally owned utilities only for the
10 following purposes:

11 (1) to regulate wholesale transmission rates and
12 service, including terms of access, to the extent provided by
13 Subchapter A, Chapter 35;

14 (2) to regulate certification of retail service areas
15 to the extent provided by Chapter 37;

16 (3) to regulate rates on appeal under Subchapters D
17 and E, Chapter 33, subject to Section 40.051(c);

18 (4) to establish a code of conduct as provided by
19 Section 39.157(e) applicable to anticompetitive activities and to
20 affiliate activities limited to structurally unbundled affiliates
21 of municipally owned utilities, subject to Section 40.054;

22 (5) to establish terms and conditions for open access
23 to transmission and distribution facilities for municipally owned
24 utilities providing customer choice, as provided by Section 39.203;

25 (6) to require collection of the nonbypassable fees
26 [~~fee~~] established under Section 39.903(b) and Section 39.9035(e);

27 (7) [~~and~~] to administer the renewable energy credits

1 program under Section 39.904(b) and the natural gas energy credits
2 program under Section 39.9044(b); and

3 (8) [~~(7)~~] to require reports of municipally owned
4 utility operations only to the extent necessary to:

5 (A) enable the commission to determine the
6 aggregate load and energy requirements of the state and the
7 resources available to serve that load; or

8 (B) enable the commission to determine
9 information relating to market power as provided by Section 39.155.

10 SECTION 25. Section 41.001, Utilities Code, is amended to
11 read as follows:

12 Sec. 41.001. APPLICABLE LAW. Notwithstanding any other
13 provision of law, except Sections 39.155, 39.157(e), 39.203,
14 39.903, 39.9035, and 39.904, this chapter governs the transition to
15 and the establishment of a fully competitive electric power
16 industry for electric cooperatives. Regarding the regulation of
17 electric cooperatives, this chapter shall control over any other
18 provision of this title, except for sections in which the term
19 "electric cooperative" is specifically used.

20 SECTION 26. Subchapter I, Chapter 26, Water Code, is
21 amended by adding Section 26.35745 to read as follows:

22 Sec. 26.35745. REPORT ON CORRECTIVE ACTIONS FOR PETROLEUM
23 CONTAMINATED SITES AND FEES NECESSARY TO CONCLUDE PROGRAM. (a) The
24 commission annually shall prepare a report regarding the status of
25 corrective actions for sites reported to the commission under this
26 subchapter as having had a release needing corrective action. The
27 commission must issue the report to the legislature on or before

1 November 1 of each year.

2 (b) Regarding sites reported to the commission under this
3 subchapter as having had a release needing corrective action on or
4 before December 22, 1998, and that remain in the commission's PST
5 State-Lead Program on September 1, 2013, the report must include:

6 (1) the total number of sites;

7 (2) the total number of sites for which corrective
8 action is ongoing;

9 (3) the total number of sites monitored;

10 (4) the projected costs of the corrective actions;

11 (5) the projected costs of monitoring;

12 (6) a projected timeline for issuing closure letters
13 under this subchapter for all of the sites; and

14 (7) for each site, the corrective action activities
15 proposed and completed during the preceding state fiscal year.

16 (c) Regarding sites reported to the commission under this
17 subchapter as having had a release needing corrective action after
18 December 22, 1998, for which the commission has elected to assume
19 responsibility for undertaking corrective action under this
20 subchapter, the report must include:

21 (1) the current status of each site;

22 (2) the costs associated with the corrective action
23 activities performed during the preceding state fiscal year for the
24 sites;

25 (3) amounts recovered under Section 26.355 related to
26 the sites; and

27 (4) enforcement actions taken against owners and

1 operators related to those sites.

2 (d) The commission shall investigate the amount of fees that
3 would be necessary to cover the costs necessary to conclude the
4 programs and activities under this subchapter before September 1,
5 2021. The commission shall include in the annual report under this
6 section the conclusions of the investigation and the commission's
7 recommendations regarding the fees and programs and activities.

8 (e) This section expires September 1, 2021.

9 SECTION 27. (a) The comptroller of public accounts shall
10 compute the amount by which the amount of the revenue described by
11 Object Code 3201, Insurance Premium Taxes, as referenced in the
12 comptroller's biennial revenue estimate submitted in advance of the
13 83rd Legislature, Regular Session, 2013, and actually received
14 during the state fiscal biennium beginning September 1, 2013,
15 exceeds the amount of that revenue as estimated for that biennium in
16 the biennial revenue estimate.

17 (b) Notwithstanding any other law providing for the
18 allocation or dedication of the revenue described by Object Code
19 3201, Insurance Premium Taxes, as referenced in the comptroller's
20 biennial revenue estimate submitted in advance of the 83rd
21 Legislature, Regular Session, 2013, the first \$340 million of the
22 amount of the excess revenue computed by the comptroller under
23 Subsection (a) of this section shall be considered available for
24 appropriation for providing the nonfederal share of
25 disproportionate share hospitals supplemental payment program
26 funds.

27 (c) This section expires August 31, 2015.

1 SECTION 28. Article 102.018(e), Code of Criminal Procedure,
2 as added by this Act, applies only to a cost on conviction for an
3 offense committed on or after September 1, 2013. An offense
4 committed before September 1, 2013, is governed by the law in effect
5 on the date the offense was committed, and the former law is
6 continued in effect for that purpose. For purposes of this section,
7 an offense was committed before September 1, 2013, if any element of
8 the offense was committed before that date.

9 SECTION 29. The Public Utility Commission of Texas shall
10 adopt or revise, as necessary to implement this Act, rules
11 governing the system benefit fund and the low-income electric
12 customers program fund under Section 39.903, Utilities Code, as
13 amended by this Act, and Section 39.9035, Utilities Code, as added
14 by this Act, not later than January 1, 2014.

15 SECTION 30. This Act takes effect immediately if it
16 receives a vote of two-thirds of all the members elected to each
17 house, as provided by Section 39, Article III, Texas Constitution.
18 If this Act does not receive the vote necessary for immediate
19 effect, this Act takes effect September 1, 2013.