

By: Darby, Pitts, Gonzales, Menendez,
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H.B. No. 7

Substitute the following for H.B. No. 7:

By: Darby

C.S.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.

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

7 SECTION 1. Chapter 322, Government Code, is amended by
8 adding Section 322.024 to read as follows:

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

13 (b) The board shall:

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

15 (A) new legislative enactments that create
16 dedicated revenue; and

17 (B) the appropriation and accumulation of
18 dedicated revenue and available dedicated revenue;

19 (2) develop and implement tools to evaluate the use of
20 available dedicated revenue for state government financing and
21 budgeting; and

22 (3) develop specific and detailed recommendations on
23 actions the legislature may reasonably take to reduce state
24 government's reliance on available dedicated revenue for the

1 purposes of certification under Section 403.121 as authorized by
2 Section 403.095.

3 (c) The board shall incorporate into the board's budget
4 recommendations appropriate measures to reduce state government's
5 reliance on available dedicated revenue for the purposes of
6 certification under Section 403.121 as authorized by Section
7 403.095 and shall include with the budget recommendations plans for
8 further reducing state government's reliance on available
9 dedicated revenue for those purposes for the succeeding six years.

10 (d) The board shall consult the comptroller as necessary to
11 accomplish the objectives of Subsections (b) and (c).

12 SECTION 2. Subchapter F, Chapter 403, Government Code, is
13 amended by adding Section 403.0956 to read as follows:

14 Sec. 403.0956. REALLOCATION OF INTEREST ACCRUED ON CERTAIN
15 DEDICATED REVENUE. Notwithstanding any other law, all interest or
16 other earnings that accrue on all revenue held in an account in the
17 general revenue fund any part of which Section 403.095 makes
18 available for certification under Section 403.121 are available for
19 any general governmental purpose, and the comptroller shall deposit
20 the interest and earnings to the credit of the general revenue fund.
21 This section does not apply to:

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

24 (2) interest or earnings on deposits of federal money
25 the diversion of which is specifically excluded by federal law.

26 SECTION 3. Sections 361.013(a) and (f), Health and Safety
27 Code, are amended to read as follows:

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

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

27 SECTION 4. Sections 361.014(a) and (b), Health and Safety

1 Code, are amended to read as follows:

2 (a) Revenue received by the commission under Section
3 361.013 shall be deposited in the state treasury to the credit of
4 the commission. Of that [~~Half of the~~] revenue, 66.7 percent is
5 dedicated to the commission's municipal solid waste permitting
6 programs, [and] enforcement programs, site remediation programs,
7 [~~and related~~] support activities related to those programs, and [~~to~~
8 ~~pay for~~] activities that will enhance the state's solid waste
9 management program, including:

10 (1) provision of funds for the municipal solid waste
11 management planning fund and the municipal solid waste resource
12 recovery applied research and technical assistance fund
13 established by the Comprehensive Municipal Solid Waste Management,
14 Resource Recovery, and Conservation Act (Chapter 363);

15 (2) conduct of demonstration projects and studies to
16 help local governments of various populations and the private
17 sector to convert to accounting systems and set rates that reflect
18 the full costs of providing waste management services and are
19 proportionate to the amount of waste generated;

20 (3) provision of technical assistance to local
21 governments concerning solid waste management;

22 (4) establishment of a solid waste resource center in
23 the commission and an office of waste minimization and recycling;

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

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

3 (7) provision of supplemental funds for other state
4 agencies with responsibilities concerning solid waste management,
5 recycling, and other initiatives with the purpose of diverting
6 recyclable waste from landfills;

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

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

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

14 (B) the cleanup or proper closure of abandoned or
15 contaminated municipal solid waste sites for which a responsible
16 party is not immediately financially able to provide the cleanup;
17 and

18 (C) remediation, cleanup, and proper closure of
19 unauthorized recycling sites for which a responsible party is not
20 immediately financially able to perform the remediation, cleanup,
21 and closure;

22 (10) provision of funds to mitigate the economic and
23 environmental impacts of lead-acid battery recycling activities on
24 local governments; and

25 (11) provision of funds for the conduct of research by
26 a public or private entity to assist the state in developing new
27 technologies and methods to reduce the amount of municipal waste

1 disposed of in landfills.

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

17 SECTION 5. Section 361.133, Health and Safety Code, is
18 amended by adding Subsection (c-1) to read as follows:

19 (c-1) Notwithstanding Subsection (c), money in the account
20 attributable to fees imposed under Section 361.138 may be used for
21 environmental remediation at the site of a closed battery recycling
22 facility located in the municipal boundaries of a municipality if
23 the municipality submits to the commission a voluntary compliance
24 plan for the site and is paying or has paid for part of the costs of
25 the environmental remediation of the site. This subsection expires
26 September 30, 2014.

27 SECTION 6. Section 771.0711(c), Health and Safety Code, is

1 amended to read as follows:

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

14 SECTION 7. Section 771.079(c), Health and Safety Code, is
15 amended to read as follows:

16 (c) Money in the account may be appropriated only to:
17 (1) the commission for planning, development,
18 provision, or enhancement of the effectiveness of 9-1-1 service or
19 for contracts with regional planning commissions for 9-1-1 service;
20 or
21 (2) the Texas A&M Forest Service for providing
22 assistance to volunteer fire departments under Subchapter G,
23 Chapter 614, Government Code.

24 SECTION 8. Section 780.003(a), Health and Safety Code, is
25 amended to read as follows:

26 (a) The designated trauma facility and emergency medical
27 services account is created as a dedicated account in the general

1 revenue fund of the state treasury. Money in the account may be
2 appropriated only to:

3 (1) the department for the purposes described by
4 Section 780.004; or

5 (2) the Texas Higher Education Coordinating Board for
6 graduate-level:

7 (A) medical education programs; or

8 (B) nursing education programs.

9 SECTION 9. Section 2007.002, Insurance Code, is amended to
10 read as follows:

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

18 SECTION 10. Section 81.067(c), Natural Resources Code, is
19 amended to read as follows:

20 (c) The fund consists of:

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

26 (2) private contributions, including contributions
27 made under Section 89.084;

- 1 (3) expenses collected under Section 89.083;
- 2 (4) fees imposed under Section 85.2021;
- 3 (5) costs recovered under Section 91.457 or 91.459;
- 4 (6) proceeds collected under Sections 89.085 and
5 91.115;
- 6 (7) interest earned on the funds deposited in the
7 fund;
- 8 (8) oil and gas waste hauler permit application fees
9 collected under Section 29.015, Water Code;
- 10 (9) costs recovered under Section 91.113(f);
- 11 (10) hazardous oil and gas waste generation fees
12 collected under Section 91.605;
- 13 (11) oil-field cleanup regulatory fees on oil
14 collected under Section 81.116;
- 15 (12) oil-field cleanup regulatory fees on gas
16 collected under Section 81.117;
- 17 (13) fees for a reissued certificate collected under
18 Section 91.707;
- 19 (14) fees collected under Section 91.1013;
- 20 (15) fees collected under Section 89.088;
- 21 (16) fees collected under Section 91.142;
- 22 (17) fees collected under Section 91.654;
- 23 (18) costs recovered under Sections 91.656 and 91.657;
- 24 (19) two-thirds of the fees collected under Section
25 81.0521;
- 26 (20) fees collected under Sections 89.024 and 89.026;
- 27 (21) legislative appropriations; [~~and~~]

1 (22) any surcharges collected under Section 81.070;
2 and
3 (23) fees collected under Section 91.0115.

4 SECTION 11. Section 81.068, Natural Resources Code, is
5 amended to read as follows:

6 Sec. 81.068. PURPOSE OF OIL AND GAS REGULATION AND CLEANUP
7 FUND. Money in the oil and gas regulation and cleanup fund may be
8 used by the commission or its employees or agents for any purpose
9 related to the regulation of oil and gas development, including oil
10 and gas monitoring and inspections, oil and gas remediation, oil
11 and gas well plugging, public information and services related to
12 those activities, the study and evaluation of electronic access to
13 geologic data and surface casing depths necessary to protect usable
14 groundwater in this state, and administrative costs and state
15 benefits for personnel involved in those activities.

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

19 (c) The commission shall charge a fee not to exceed \$75, in
20 addition to the fee required by Subsection (b), for processing a
21 request to expedite a letter of determination. [~~Money collected~~
22 ~~under this subsection may be used to study and evaluate electronic~~
23 ~~access to geologic data and surface casing depths under Section~~
24 ~~91.020.~~]

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

27 SECTION 13. Section 501.138(b-2), Transportation Code, is

1 amended to read as follows:

2 (b-2) The comptroller shall establish a record of the amount
3 of the fees deposited to the credit of the Texas Mobility Fund under
4 Subsection (b-1) and shall monitor transfers to and from the Texas
5 emissions reduction plan fund. On or before the fifth workday of
6 each month, the comptroller may require that the department [~~shall~~]
7 remit to the comptroller for deposit to the credit of the Texas
8 emissions reduction plan fund an amount of money, not to exceed
9 [~~equal to~~] the amount of the fees deposited by the comptroller to
10 the credit of the Texas Mobility Fund under Subsection (b-1) in the
11 preceding month, the comptroller determines is necessary to meet
12 amounts appropriated from the Texas emissions reduction plan fund
13 or, after consultation with the Texas Commission on Environmental
14 Quality, if a fee is imposed on stationary sources in a county
15 located in a nonattainment area as provided by 42 U.S.C. Section
16 7511d, an amount of money not to exceed the amount of the total of
17 the additional \$5 collected in fees that is attributable to
18 applicants for titles, other than the state or political
19 subdivisions of the state, who reside in a county located in a
20 nonattainment area or in an affected county, as described by
21 Subsection (a)(1). The department shall use for remittance to the
22 comptroller as required by this subsection money in the state
23 highway fund that is not required to be used for a purpose specified
24 by Section 7-a, Article VIII, Texas Constitution, and may not use
25 for that remittance money received by this state under the
26 congestion mitigation and air quality improvement program
27 established under 23 U.S.C. Section 149. The Texas Transportation

1 Commission may designate for congestion mitigation projects or for
2 deposit to the Texas rail relocation fund eligible amounts retained
3 in the state highway fund because the amounts were not required to
4 be remitted under this subsection.

5 SECTION 14. Subchapter G, Chapter 504, Transportation Code,
6 is amended by adding Section 504.6012 to read as follows:

7 Sec. 504.6012. ELIMINATION OF DEDICATED REVENUE ACCOUNTS;
8 REVENUES IN TRUST. (a) Notwithstanding any other provision of this
9 subchapter, not later than September 30, 2013, the comptroller
10 shall eliminate all dedicated accounts established for specialty
11 license plates under this subchapter and shall set aside the
12 balances of those dedicated accounts so that the balances may be
13 appropriated only for the purposes intended as provided by the
14 dedications.

15 (b) On and after September 1, 2013, the portion of a fee
16 payable under this subchapter that is designated for deposit to a
17 dedicated account shall be paid instead to the credit of an account
18 in a trust fund created by the comptroller outside the general
19 revenue fund. The comptroller shall administer the trust fund and
20 accounts and may allocate the corpus and earnings on each account
21 only in accordance with the dedications of the revenue deposited to
22 the trust fund accounts.

23 SECTION 15. Section 17.007, Utilities Code, is amended to
24 read as follows:

25 Sec. 17.007. ELIGIBILITY PROCESS FOR CUSTOMER SERVICE
26 DISCOUNTS. The commission by rule shall provide for an integrated
27 eligibility process for customer service discounts, including

1 discounts under Sections 39.9035 [~~39.903~~] and 55.015.

2 SECTION 16. Section 39.002, Utilities Code, is amended to
3 read as follows:

4 Sec. 39.002. APPLICABILITY. This chapter, other than
5 Sections 39.155, 39.157(e), 39.203, 39.903, 39.9035, 39.904,
6 39.9051, 39.9052, and 39.914(e), does not apply to a municipally
7 owned utility or an electric cooperative. Sections 39.157(e),
8 39.203, and 39.904, however, apply only to a municipally owned
9 utility or an electric cooperative that is offering customer
10 choice. If there is a conflict between the specific provisions of
11 this chapter and any other provisions of this title, except for
12 Chapters 40 and 41, the provisions of this chapter control.

13 SECTION 17. Subchapter Z, Chapter 39, Utilities Code, is
14 amended by amending Section 39.903 and adding Section 39.9035 to
15 read as follows:

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

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

27 (c) The nonbypassable system benefit fund fee may not be

1 imposed on the retail electric customers of a municipally owned
2 utility or electric cooperative before the sixth month preceding
3 the date on which the utility or cooperative implements customer
4 choice. Money distributed from the system benefit fund to a
5 municipally owned utility or an electric cooperative shall be
6 proportional to the nonbypassable fee paid by the municipally owned
7 utility or the electric cooperative [~~subject to the reimbursement~~
8 ~~provided by Subsection (i)~~]. On request by a municipally owned
9 utility or electric cooperative, the commission shall reduce the
10 nonbypassable fee imposed on retail electric customers served by
11 the municipally owned utility or electric cooperative by an amount
12 equal to the amount provided by the municipally owned utility or
13 electric cooperative or its ratepayers for [~~local low-income~~
14 ~~programs and~~] local programs that educate customers about the
15 retail electric market in a neutral and nonpromotional manner. The
16 commission shall adopt rules providing for reimbursements from
17 appropriated system benefit fund money for activities authorized
18 for funding under this section.

19 (d) The commission shall annually review and approve system
20 benefit fund accounts, projected revenue requirements, and
21 proposed nonbypassable fees. The commission shall report to the
22 electric utility restructuring legislative oversight committee if
23 the system benefit fund fee is insufficient to fund the purposes set
24 forth in Subsection (e) to the extent required by this section.

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

- 1 (1) [~~programs to:~~
- 2 [~~(A) assist low-income electric customers by~~
- 3 ~~providing the 10 percent reduced rate prescribed by Subsection (h),~~
- 4 ~~and~~
- 5 [~~(B) provide one-time bill payment assistance to~~
- 6 ~~electric customers who are or who have in their households one or~~
- 7 ~~more seriously ill or disabled low-income persons and who have been~~
- 8 ~~threatened with disconnection for nonpayment,~~
- 9 [~~(2)~~] customer education programs;i
- 10 (2) [~~r~~] administrative expenses incurred by the
- 11 commission in implementing and administering this chapter;i
- 12 (3) [~~r, and~~] expenses incurred by the office under this
- 13 chapter;
- 14 (4) [~~(3)~~] programs to assist low-income electric
- 15 customers by providing weatherization or other [~~the targeted~~]
- 16 energy efficiency programs [~~described by Subsection (f)(2),~~
- 17 [~~(4) programs to assist low-income electric customers~~
- 18 ~~by providing the 20 percent reduced rate prescribed by Subsection~~
- 19 ~~(h)]~~; and
- 20 (5) reimbursement to the commission and the Health and
- 21 Human Services Commission for expenses incurred in the
- 22 implementation and administration of an integrated eligibility
- 23 process created under Section 17.007 for customer service discounts
- 24 relating to retail electric service, including outreach expenses
- 25 the commission determines are reasonable and necessary.

26 (f) The legislature may appropriate from the system benefit

27 fund not more than \$50 million each state fiscal biennium for the

1 purposes of Subsection (e)(4). Money appropriated from the system
2 benefit fund for the purposes of Subsection (e)(4) must be
3 transferred to the low-income electric customers program fund for
4 disbursement under Section 39.9035.

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

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

10 (b) The commission shall adopt and enforce rules requiring
11 transmission and distribution utilities to establish a low-income
12 electric customers program fund under commission oversight. The
13 rules must provide for:

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

16 (2) the fund to be held by an administrator selected by
17 the transmission and distribution utilities in accordance with
18 standards adopted by the commission; and

19 (3) any interest earned on money in the fund to be
20 credited to the fund.

21 (c) The administrator serves as trustee of the fund for the
22 benefit of low-income electric customer programs described by this
23 section, and in accordance with commission rules, the administrator
24 may make any payments or reimbursements from the fund to further the
25 programs. Commission rules must prescribe the maximum percentage
26 of money available in the fund that may be used for the expenses of
27 administering the fund and for annual independent auditing of the

1 fund and expenditures and other transactions related to the fund.
2 The commission or its agents may at any time examine any records
3 related to the fund or investigate any fund-related expenditures or
4 expenses. The administrator and each transmission and distribution
5 utility shall fully cooperate with any investigation regarding the
6 fund conducted by the commission or its agents.

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

11 (e) The commission shall provide for a nonbypassable fee in
12 the same amount as the fee imposed under Subsection (d) to be
13 imposed on the retail electric customers of a municipally owned
14 utility or electric cooperative beginning on the first day of the
15 sixth month preceding the date on which the utility or cooperative
16 implements customer choice.

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

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

26 (1) not more than 96 percent of the money available in
27 the fund must be used to provide a 15 percent reduced rate for

1 low-income households; 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. The
11 reduced rate for a retail electric provider shall result in a total
12 charge for each billing period that is at least 15 [~~10~~] percent
13 [~~and, if sufficient money in the system benefit fund is available,~~
14 ~~up to 20 percent,~~] lower than the amount the customer would
15 otherwise be charged for each billing period. To the extent the
16 low-income electric customers program [~~system benefit~~] fund is
17 insufficient to pay for [~~fund~~] the 15 [~~initial 10~~] percent rate
18 reduction, the commission may increase the fee to an amount of not
19 more than 50 [~~65~~] cents per megawatt hour, as provided by Subsection
20 (d) [~~(b)~~]. If the fee is set at 50 [~~65~~] cents per megawatt hour or
21 if the commission determines that revenues anticipated to be due
22 for deposit to the fund are [~~appropriations are~~] insufficient to
23 pay for [~~fund~~] the 15 [~~10~~] percent rate reduction, the commission
24 shall [~~may~~] reduce the rate of the reduction to less than 15 [~~10~~]
25 percent. For a municipally owned utility or electric cooperative,
26 the reduced rate shall be equal to an amount that can be fully
27 funded by that portion of the nonbypassable fee proceeds paid by the

1 municipally owned utility or electric cooperative that is allocated
2 to the utility or cooperative by the commission under Subsection
3 (g) [~~(e)~~] for programs for low-income customers of the utility or
4 cooperative. The reduced rate for municipally owned utilities and
5 electric cooperatives under this section is in addition to any rate
6 reduction that may result from local programs for low-income
7 customers of the municipally owned utilities or electric
8 cooperatives.

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

26 (l) [~~(j)~~] The commission shall adopt rules providing for
27 methods of enrolling customers eligible to receive the reduced

1 rates determined under Subsection (j) [~~(h)~~]. The rules must
2 provide for automatic enrollment as one enrollment option. The
3 Health and [~~Texas Department of~~] Human Services Commission, on
4 request of the commission, shall assist in the adoption and
5 implementation of these rules. The commission and the Health and
6 [~~Texas Department of~~] Human Services Commission shall enter into a
7 memorandum of understanding establishing the respective duties of
8 the agencies [~~commission and the department~~] in relation to the
9 automatic enrollment.

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

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

26 (o) Notwithstanding Subsections (d), (e), (f), and (j), the
27 low-income electric customers program fund fee may not be imposed

1 after August 31, 2023. After that date, the commission and the
2 administrator shall undertake to continue the low-income electric
3 customers programs described by this section until the balance of
4 the fund is exhausted.

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

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

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

12 SECTION 18. Section 39.905(f), Utilities Code, is amended
13 to read as follows:

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

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

23 SECTION 19. Section 40.001(a), Utilities Code, is amended
24 to read as follows:

25 (a) Notwithstanding any other provision of law, except
26 Sections 39.155, 39.157(e), 39.203, 39.903, 39.9035, and 39.904,
27 this chapter governs the transition to and the establishment of a

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

6 SECTION 20. Section 40.004, Utilities Code, is amended to
7 read as follows:

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

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

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

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

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

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

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

1 (7) [~~and~~] to administer the renewable energy credits
2 program under Section 39.904(b) and the natural gas energy credits
3 program under Section 39.9044(b); and

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

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

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

11 SECTION 21. Section 41.001, Utilities Code, is amended to
12 read as follows:

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

21 SECTION 22. Subchapter I, Chapter 26, Water Code, is
22 amended by adding Section 26.35745 to read as follows:

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

1 commission must issue the report to the legislature on or before
2 November 1 of each year.

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

7 (1) the total number of sites;

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

10 (3) the total number of sites monitored;

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

12 (5) the projected costs of monitoring;

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

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

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

22 (1) the current status of each site;

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

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

1 (4) enforcement actions taken against owners and
2 operators related to those sites.

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

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

10 SECTION 23. The Public Utility Commission of Texas shall
11 adopt or revise, as necessary to implement this Act, rules
12 governing the system benefit fund and the low-income electric
13 customers program fund under Section 39.903, Utilities Code, as
14 amended by this Act, and Section 39.9035, Utilities Code, as added
15 by this Act, not later than January 1, 2014.

16 SECTION 24. This Act takes effect immediately if it
17 receives a vote of two-thirds of all the members elected to each
18 house, as provided by Section 39, Article III, Texas Constitution.
19 If this Act does not receive the vote necessary for immediate
20 effect, this Act takes effect September 1, 2013.