

- SUBJECT:** Raising limit for rural scholarship fund; creating new fund
- COMMITTEE:** Higher Education — favorable, without amendment
- VOTE:** 8 ayes — Zerwas, Howard, Clardy, Crownover, Martinez, Morrison, Raney, C. Turner
- 0 nays
- 1 absent — Alonzo
- WITNESSES:** For — Frank Weaver, Valley Telephone Co. Inc.; Sally Velasquez, Willacy County; (*Registered, but did not testify:* Richard Hardcastle, Rural Telephone Co-ops; Leonard Beurer, Valley Telephone Co.)
- Against — None
- On — Bryant Clayton, Texas Comptroller of Public Accounts; (*Registered, but did not testify:* Frances Torres, Texas Comptroller of Public Accounts)
- BACKGROUND:** Property Code, secs. 71-76 govern unclaimed property and the delivery of abandoned property to the comptroller. Sec. 74.3011 allows local telephone exchange companies to deposit a combined total of up to \$800,000 annually in unclaimed or abandoned money to the rural scholarship fund instead of to the comptroller. This fund helps enable low-income students from rural areas to obtain postsecondary education.
- DIGEST:** HB 227 would increase the limit for unclaimed money that could be deposited into the rural scholarship fund to \$1 million per year. In addition, the bill would establish a new economic development fund, which also would be capped at \$1 million per year. This fund would enable rural, low-income areas to promote or support economic and infrastructure development.

The bill would take effect September 1, 2015.

NOTES:

According to the Legislative Budget Board's fiscal note, HB 227 would cost \$2.4 million per year in general revenue due to unclaimed money that would be deposited in the two funds specified by the bill instead of remitted to the comptroller.