

By: Goodman

H.B. No. 2946

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to an annual adjustment of franchise fees paid to a  
3 municipality by certain providers of electricity.

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

5 SECTION 1. Section 33.008(b), Utilities Code, is amended to  
6 read as follows:

7 (b) If a municipality collected a charge or fee for a  
8 franchise to use a municipal street, alley, or public way from an  
9 electric utility, a municipally owned utility, or an electric  
10 cooperative before the end of the freeze period, the municipality,  
11 after the end of the freeze period or after implementation of  
12 customer choice by the municipally owned utility or electric  
13 cooperative, as appropriate, is entitled to collect from each  
14 electric utility, transmission and distribution utility,  
15 municipally owned utility, or electric cooperative that uses the  
16 municipality's streets, alleys, or public ways to provide  
17 distribution service a charge based on each kilowatt hour of  
18 electricity delivered by the utility to each retail customer whose  
19 consuming facility's point of delivery is located within the  
20 municipality's boundaries. The charge imposed shall be equal to  
21 the total electric franchise fee revenue due the municipality from  
22 electric utilities, municipally owned utilities, or electric  
23 cooperatives, as appropriate, for calendar year 1998 divided by the  
24 total kilowatt hours delivered during 1998 by the applicable

1 electric utility, municipally owned utility, or electric  
2 cooperative to retail customers whose consuming facilities' points  
3 of delivery were located within the municipality's boundaries. The  
4 compensation a municipality may collect from each electric utility,  
5 transmission and distribution utility, municipally owned utility,  
6 or electric cooperative providing distribution service shall be  
7 equal to the charge per kilowatt hour determined for 1998  
8 multiplied times the number of kilowatt hours delivered within the  
9 municipality's boundaries. A municipality may annually adjust the  
10 amount of compensation the municipality may collect under this  
11 section by an amount equal to the amount of the previous year's  
12 compensation multiplied by a percentage equal to one-half of the  
13 annual percentage change, if any, in the consumer price index. In  
14 this subsection, "consumer price index" means the most recent  
15 annual revised Consumer Price Index for all Urban Consumers for  
16 Texas, as published by the Federal Bureau of Labor Statistics of the  
17 United States Department of Labor.

18 SECTION 2. This Act takes effect immediately if it receives  
19 a vote of two-thirds of all the members elected to each house, as  
20 provided by Section 39, Article III, Texas Constitution. If this  
21 Act does not receive the vote necessary for immediate effect, this  
22 Act takes effect September 1, 2003.