

By: Garza

H.B. No. 3469

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the collection of electric franchise fees by certain
3 municipalities and counties.

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

5 SECTION 1. Subchapter A, Chapter 33, Utilities Code, is
6 amended by adding Section 33.009 to read as follows:

7 Sec. 33.009. LIMITATION ON MUNICIPAL FRANCHISE FEES. (a)
8 This section applies only to a municipality that is located in a
9 county that has a population of less than 48,000 and that borders
10 the United Mexican States.

11 (b) Notwithstanding any other law, including Section
12 33.008, a municipality to which this section applies may not impose
13 on an electric utility, transmission and distribution utility,
14 municipally owned utility, or electric cooperative a charge for the
15 use of a municipal street, alley, or public way to deliver
16 electricity to a retail customer unless the retail customer resides
17 in that municipality.

18 SECTION 2. Subchapter C, Chapter 181, Utilities Code, is
19 amended by adding Section 181.048 to read as follows:

20 Sec. 181.048. FRANCHISE CHARGES BY COUNTY. (a) This
21 section applies only to a county that has a population of less than
22 48,000 and that borders the United Mexican States.

23 (b) Notwithstanding any other law, a county to which this
24 section applies may impose on an electric utility, transmission and

1 distribution utility, municipally owned utility, or electric
2 cooperative, as appropriate, that provides distribution service
3 within the unincorporated areas of the county a reasonable charge
4 for the use of a county street, alley, or public way to deliver
5 electricity to a retail customer who resides in an unincorporated
6 area of the county.

7 (c) A franchise charge authorized by this section shall be
8 considered a reasonable and necessary operating expense of each
9 electric utility, transmission and distribution utility,
10 municipally owned utility, or electric cooperative that is subject
11 to a charge under this section. The charge shall be included in the
12 nonbypassable delivery charges that a customer's retail electric
13 provider must pay under Section 39.107 to the utility serving the
14 customer.

15 SECTION 3. This Act takes effect September 1, 2003.