

By: Armbrister

S.B. No. 763

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 is entitled to annually
10 adjust the amount of compensation the municipality may collect
11 under this section from an electric utility, transmission and
12 distribution utility, municipally owned utility, or electric
13 cooperative providing distribution service by an amount equal to
14 the amount of the previous year's compensation from that entity
15 multiplied by a percentage equal to one-half of the annual
16 percentage change, if any, in the consumer price index. In this
17 subsection, "consumer price index" means the most recent annual
18 revised Consumer Price Index for all Urban Consumers for Texas, as
19 published by the Federal Bureau of Labor Statistics of the United
20 States Department of Labor.

21 SECTION 2. This Act takes effect immediately if it receives
22 a vote of two-thirds of all the members elected to each house, as
23 provided by Section 39, Article III, Texas Constitution. If this
24 Act does not receive the vote necessary for immediate effect, this
25 Act takes effect September 1, 2005.