

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**February 20, 2007**

**TO:** Honorable Troy Fraser, Chair, Senate Committee on Business & Commerce

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE: SB485** by Fraser (Relating to administration of the system benefit fund.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB485, As Introduced: an impact of \$0 through the biennium ending August 31, 2009.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**General Revenue-Related Funds, Five-Year Impact:**

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2008	\$0
2009	\$0
2010	\$0
2011	\$0
2012	\$0

**All Funds, Five-Year Impact:**

Fiscal Year	Probable Revenue (Loss) from <i>System Benefit Account</i> 5100
2008	(\$146,897,000)
2009	(\$150,336,000)
2010	(\$153,855,511)
2011	(\$157,457,416)
2012	(\$161,143,646)

**Fiscal Analysis**

The bill would amend the Utilities Code to require the Public Utility Commission to set nonbypassable fees in an amount sufficient to pay appropriations from System Benefit Account 5100.

The bill would take effect immediately upon receiving a vote of two-thirds of all members elected to each house or would otherwise take effect on September 1, 2007.

**Methodology**

Based on the analysis of the Comptroller of Public Accounts, the fiscal implications of the bill would be dependent upon the level of appropriations out of the System Benefit Account 5100 in the General Appropriations Act.

The current level of appropriation out of the General Revenue-Dedicated System Benefit Account 5100 is approximately \$3.6 million per fiscal year of the 2006-07 biennium. For this analysis, it is assumed that annual appropriations from the account would remain at this level through fiscal year 2012. Based on the Comptroller of Public Accounts Biennial Revenue Estimate (BRE) for 2008-09, it is also assumed that the ending balance in the account for the fiscal year ending August 31, 2007 will be approximately \$408 million, which would be sufficient to accommodate the current level of appropriation through fiscal year 2012. Therefore, it is assumed that the bill would require the Public Utility Commission to reduce the nonbypassable fee rate because no additional revenue would be required to cover this level of appropriation. Based on amounts estimated in the BRE for the 2008-09 biennium, it is assumed that the reduction of the fee would result in a revenue loss of \$146,897,000 in 2008 and \$150,336,000 in 2009, which would increase at a rate of 2.34 percent each year thereafter. Furthermore, it is assumed that revenue losses would continue until appropriations from the account either equated to or exceeded available balances.

### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts, 473 Public Utility Commission of Texas, 475 Office of Public Utility Counsel

**LBB Staff:** JOB, JRO, EB, MW, TGI