

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION
Revision 1

March 17, 2009

TO: Honorable Burt R. Solomons, Chair, House Committee on State Affairs

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

IN RE: HB1182 by Turner, Sylvester (Relating to the administration and purposes of the system benefit fund and the eligibility of customers for benefits under certain programs financed by the system benefit fund and other programs.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1182, As Introduced: an impact of \$0 through the biennium ending August 31, 2011.

General Revenue-Related Funds, Five-Year Impact:

| Fiscal Year | Probable Net Positive/(Negative) Impact to General Revenue Related Funds |
|-------------|--|
| 2010 | \$0 |
| 2011 | \$0 |
| 2012 | \$0 |
| 2013 | \$0 |
| 2014 | \$0 |

All Funds, Five-Year Impact:

| Fiscal Year | Probable Revenue Gain/(Loss) from <i>System Benefit Account</i> 5100 | Probable Revenue Gain/(Loss) from <i>New System Benefit Account Outside the</i> <i>Treasury</i> |
|-------------|--|---|
| 2010 | (\$149,759,000) | \$135,613,000 |
| 2011 | (\$171,598,000) | \$149,922,000 |
| 2012 | (\$179,173,000) | \$151,934,000 |
| 2013 | (\$187,610,000) | \$153,974,000 |
| 2014 | (\$197,034,000) | \$156,041,000 |

Fiscal Analysis

The bill would amend the Public Utility Regulatory Act to establish the System Benefit Fund Account 5100 (SBF) as a trust fund outside the state treasury solely for the benefit of programs and purposes provided for in the bill. The Public Utility Commission (PUC) would serve as trustee to administer the fund. The bill would require the PUC to undertake to spend all available funds on the programs under the SBF trust fund.

The PUC would be required to adopt or amend rules to implement the provisions of this bill.

The bill requires fees for the SBF collected under Section 39.903, Utilities Code, before the effective date of this Act to be remitted to the comptroller of public accounts for deposit in the General Revenue fund.

The bill would take effect September 1, 2009.

Methodology

The cost estimates of the bill were determined based on the Comptroller of Public Accounts' Biennial Revenue estimates for the System Benefit Fund 5100 and the Comptroller's estimates of decreased interest earned on the System Benefit Trust Fund as a result of being moved outside of the state treasury. The Comptroller was not able to estimate the interest income for the new trust fund because future spending and balances cannot be predicted.

The Comptroller estimates fee revenues deposited into the New System Benefit Account outside the treasury would be \$135,613,000 in FY 2010, \$149,922,000 in FY 2011, \$151,934,000 in 2012, \$153,974,000 in 2013, and \$156,041,000 in 2014. The estimated fiscal impact was based on the 2010-11 Biennial Revenue Estimate and was adjusted for the collection of one month's revenue in fiscal 2010 in the account. The interest income calculation was adjusted downward in General Revenue - Dedicated System Benefit Account No. 5100 because of the loss of revenue and the effect of the revenue on increasing the account balance based on current practices. Accordingly, the Comptroller estimates there would be a loss to General Revenue - Dedicated System Benefit Account No. 5100 each fiscal year as a result of the transfer in the amounts of \$149,759,000 in 2010, \$171,598,000 in 2011, \$179,173,000 in 2012, \$187,610,000 in 2013, and \$197,034,000 in 2014.

This legislation would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either with or outside of the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

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

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