

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

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**April 27, 2009**

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

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

**IN RE: HB3842** by Hilderbran (Relating to the duties of a municipally owned electric utility when operating outside the municipality.), **As Introduced**

<b>No fiscal implication to the State is anticipated.</b>
---

The bill would amend the Utilities Code to include, for the purposes of certificates of convenience and necessity, in the definition of "electric utility" a municipally owned utility when the utility is operating outside the municipality.

The bill would apply only to service to or construction in an area that had not begun before the effective date of the bill. The bill would take effect immediately if it was to receive the required two-thirds vote in each house; otherwise, it would take effect September 1, 2009.

**Local Government Impact**

Municipally-owned electric utility companies (72 exist in the state) would incur additional costs for proceedings before the Public Utility Commission. These costs would be related to attorneys' fees, environmental assessments, and survey costs for those contested proceedings for certificates of convenience and necessity for the construction of transmission lines outside the city limits.

**Source Agencies:**

**LBB Staff:** JOB, KJG, DB