

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

March 11, 2013

TO: Honorable John Carona, Chair, Senate Committee On Business & Commerce

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB614 by Lucio (Relating to an electric utility surcharge to assist owners of certain historic structures with electric bill payments and to promote energy conservation and efficiency.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB614, As Introduced: a negative impact of (\$162,408) through the biennium ending August 31, 2015.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2014	(\$81,204)
2015	(\$81,204)
2016	(\$81,204)
2017	(\$81,204)
2018	(\$81,204)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from <i>Historic Structure Energy Assistance</i>	Probable Savings/(Cost) from <i>Historic Structure Energy Assistance</i>	Probable Savings/(Cost) from <i>General Revenue Fund 1</i>	Change in Number of State Employees from FY 2013
2014	\$384,000	(\$384,000)	(\$81,204)	1.0
2015	\$384,000	(\$384,000)	(\$81,204)	1.0
2016	\$384,000	(\$384,000)	(\$81,204)	1.0
2017	\$384,000	(\$384,000)	(\$81,204)	1.0
2018	\$384,000	(\$384,000)	(\$81,204)	1.0

Fiscal Analysis

The bill would amend the Utilities Code relating to energy assistance for historic structures. The bill would establish a Historic Structure Energy Assistance Fund as an account in the General Revenue fund administered by the Public Utility Commission (PUC). The bill would require electric utilities, municipally owned utilities, and electric cooperatives in a county affected by the provisions of the bill to collect a monthly surcharge of 50 cents per customer and remit the collected revenue for deposit to the Historic Structure Energy Assistance Fund.

Money in the fund would only be available for the purposes of a grant, loan, or other assistance program, established by the PUC, to increase energy efficiency and promote energy conservation in historic structures, and assist owners of historic structures with electric bill payments. The bill would require the PUC to adopt and enforce rules related to the program.

The bill would take effect immediately upon receiving a two-thirds majority vote in both houses; otherwise, the bill would take effect September 1, 2013.

Methodology

This analysis is based on information provided by the Comptroller of Public Accounts and the PUC. The provisions of the bill would only apply to Cameron County and would affect approximately 64,000 customers. The yearly revenue projection was calculated by multiplying the 64,000 current customers impacted by the bill by the monthly 50 cent surcharge. This \$32,000 product was multiplied by 12 months to produce the yearly revenue projection. This analysis does not consider any change in customer population that may occur in Cameron County over the next five years.

Based on information provided by the PUC, this analysis assumes that the full amount of revenue deposited into the Historic Structure Energy Assistance fund would be allocated through the grant, loan, or other assistance program established by the provisions of the bill.

In order to oversee and administer the assistance program for historic structures required by the provisions of the bill, the PUC anticipates the need for an additional 1.0 full-time equivalent (FTE) at a Grant Administrator II position, with a total salary cost of \$60,000. Additional expenses include \$3,360 per year in other operating expenses and estimated benefits costs of \$17,844 per year.

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. Legislative policy, implemented as Government Code 403.094, consolidated special funds (except those affected by constitutional, federal, or other restrictions) into the General Revenue Fund as of August 31, 1993, and eliminated all applicable statutory revenue dedications as of August 31, 1995. Each subsequent Legislature has reviewed bills that affect funds consolidation. 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 significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 473 Public Utility Commission of Texas

LBB Staff: UP, RB, MW, ED, KKR