

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 7, 2015

TO: Honorable John Otto, Chair, House Committee on Appropriations

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1101 by Turner, Sylvester (Relating to extending the period over which the balance of the system benefit fund is to be eliminated.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1101, As Introduced: an impact of \$0 through the biennium ending August 31, 2017.

To the extent that costs associated with the bill would be charged to the balances of the General Revenue-Dedicated System Benefit Account 5100, there would be a negative certification effect on General Revenue Related Funds.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2016	\$0
2017	\$0
2018	\$0
2019	\$0
2020	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from System Benefit Account 5100
2016	(\$111,152,902)
2017	(\$115,543,637)
2018	\$0
2019	\$0
2020	\$0

Fiscal Analysis

This bill would amend the Utilities Code relating to extending the period over which the balance of the System Benefit Fund is to be eliminated.

This bill would extend the expiration date of Section 39.9039 of the Utilities Code relating to the System Benefit Fund and the Low-Income Discount program through fiscal year 2017. This bill would increase the allowable discount rate that the Public Utility Commission (PUC) can provide in fiscal years 2016 and 2017.

This bill would take effect immediately upon receiving a vote of two-thirds of all members elected to the House and Senate or otherwise on September 1, 2015.

Methodology

Based on the Comptroller of Public Account's 2016-17 Biennial Revenue Estimate, the fiscal year 2015 ending balance of the System Benefit Fund is projected to be \$328,051,000. The agency anticipates that current provisions of Section 39.9039 of the Utilities Code allows for the use of \$101,354,461 in fiscal year 2016. An increase in the discount rate from 15% to 33% in fiscal year 2016 would result in an additional \$111,152,902 from the account. It is anticipated that the remaining \$115,543,637 would be used in fiscal year 2017 in order to implement the provisions of the bill.

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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