

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 20, 2015

TO: Honorable Carol Alvarado, Chair, House Committee on Urban Affairs

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB3958** by Workman (Relating to limitations on the use of municipal electric system revenues by certain municipalities.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would amend the Utilities Code to require certain municipalities to use revenues from a electric system for the sole purposes of paying the direct costs of operating the system and transferring sums of up to 12% of the amount of the annual sales revenue of the system to the municipality. The bill would prohibit an applicable municipality from spending, diverting or allocating revenues from a utility for any purpose not authorized by the provisions of the bill. The bill would require certain municipalities to establish and maintain system of accounts, books and financial reports for the municipal electric system separate from the accounts of the municipality and other utilities, departments and agencies.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies:

LBB Staff: UP, KVe, SD, EK