

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

May 3, 2021

TO: Honorable Kelly Hancock, Chair, Senate Committee on Business & Commerce

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB2227 by Hughes (Relating to securitizing costs associated with electric markets; granting authority to issue bonds.), **As Introduced**

No significant fiscal implication to the State is anticipated.

It is assumed that the costs associated with the bill's provisions relating to securitizing costs associated with electric markets and granting authority to issue bonds could be absorbed using existing resources.

The bill would exempt from state and local taxes transactions involving the transfer and ownership of uplift property and the receipt of uplift charges relating to a financing order. The Comptroller anticipates that the exemption of uplift charges from any state or local taxes would have negative revenue implications for the sales tax, miscellaneous gross receipts tax, and the public utilities gross receipts assessment. Since the amount and timing of the adoption of financing orders and associated collection of charges is unknown, the fiscal impact to the state cannot be determined.

Local Government Impact

The fiscal implications of the bill cannot be determined at this time.

Source Agencies: 304 Comptroller of Public Accounts, 307 Secretary of State, 352 Bond Review Board, 473 Public Utility Commission of Texas, 475 Office of Public Utility Counsel

LBB Staff: JMc, SZ, MB, RRE