

BILL ANALYSIS

Senate Research Center
79R10979 JJT-F

H.B. 3460
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Business & Commerce
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Engrossed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Under current law, the Public Utility Regulatory Act requires the Public Utility Commission (commission) to set an interest rate for utility customer deposits once per year, but also requires that the rate be at least six percent. Six percent is above what financial institutions are paying on deposits. H.B. 3460 requires that the commission to set the interest rate at an amount that equals the average rate paid over the previous 12 -months period on United States treasury bills with a 26-week maturity.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 183.003, Utilities Code, as follows:

Sec. 183.003. RATE OF INTEREST. Deletes subsection designations. Requires the Public Utility Commission each December 1, or the next regular workday if December 1 is a Saturday, Sunday, or legal holiday, to set the annual interest rate for the next calendar year on deposits governed by this chapter at the average rate paid over the previous 12-month period on United States treasury bills with a 26-week, rather than 12-month, maturity. Deletes remaining existing text.

SECTION 2. Effective date: September 1, 2005.