

BILL ANALYSIS

Senate Research Center
80R10451 JJT-D

S.B. 1430
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Business & Commerce
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, normal operations and maintenances expenses of a utility are, by law, superior to the obligation to pay bond indebtedness. It is a first lien against a utility's bond indebtedness. However, it is unclear whether low-income customer bill payment assistance programs qualify as a maintenance and operation expense.

As proposed, S.B. 1430 amends the Government Code to specify that funding of low-income customer assistance program is a lawful operation and maintenance expense of an electric or gas utility.

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 1502.056(a), Government Code, to provide that the first lien against the revenue of an electric or gas utility system that secures the payment of public securities issued or obligations incurred under this chapter also applies to funding, as a necessary operations expense, for a bill payment assistance program for utility system customers who have been threatened with disconnection from service for nonpayment of bills and who have been determined by the municipality to be low-income customers.

SECTION 2. Effective date: upon passage or September 1, 2007.