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FISCAL IMPACT REPORT

SPONSOR: Garcia DATE TYPED: 02/14/01 HB _____
 SHORT TITLE: Prohibit Utility Service Area Encroachment SB 177
 ANALYST: Dotson

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
	None				None

(Parenthesis () Indicate Expenditure Decreases)

SUMMARY

Synopsis of Bill

SB 177 outlines the protections granted to an association of it's service area as long as the association remains indebted to the state.

Significant Issues

This bill promotes indebtedness to state agencies and financial programs. Holding service areas should be based on service provided at competitive rates. This bill would curtail competition in service areas and possibly allow poorly performing utilities to continue to operate only due to their obligations to the state.

POSSIBLE QUESTIONS

What prevents a utility from seeking loans from a state agency for the sole purpose of protecting it's service area?

PD/nw