

Hall of the House of Representatives
83rd General Assembly - Regular Session, 2001
Amendment Form

Subtitle of House Bill No. 2424

"TO AUTHORIZE THE PUBLIC SERVICE COMMISSION TO ASSESS FEES ON ELECTRIC
UTILITY RATEPAYERS TO MITIGATE THE DETRIMENTAL IMPACT OF ELECTRIC
DEREGULATION."

Amendment No. 1 to House Bill No. 2424.

Amend House Bill No. 2424 as originally introduced:

Delete Section 1 and substitute:

"SECTION 1. (a)(1) After issuing an order to allow an electric utility to recover stranded costs pursuant to Arkansas Code 23-19-303, the Arkansas Public Service Commission may hold public hearings to consider whether school districts have a net loss of property tax revenues as a result of retail open access pursuant to Arkansas Code 23-19-103.

(2) The Tax Division of the Arkansas Public Service Commission shall determine the net decrease in total tax base and the resulting net loss of property tax revenues as a result of retail open access.

(3) Based on a net decrease in total tax base resulting from retail open access, the Department of Education shall provide evidence to the commission concerning the financial impact upon school districts' debt service or their maintenance and operations budget.

(b)(1) Upon a finding that any school district has a net loss of property tax revenues in excess of ten percent (10%) as a result of retail open access, the commission may:

(A) Establish a rate surcharge, based on kilowatt-hour usage to all classes of ratepayers of the associated electric utilities;

(B) Determine the proper design of the rate, rate schedule, and class allocations.

(2)(A) The rate surcharge assessed pursuant to this section shall phase out over a five-year period.

(B) The first and second years shall be set to collect one hundred percent (100%) of the net loss of revenues.

(C) The third and fourth years shall be set to collect sixty percent (60%) of the net loss of revenues.

(D) The fifth year shall be set to collect forty percent (40%) of the net loss of revenues.

(c)(1) The rate surcharge shall be limited to the amount of net loss of property tax revenues as determined by the Tax Division of the Arkansas

Public Service Commission from evidence submitted in the hearing pursuant to subdivision (a)(1) of this section.

(2) The commission shall adjust the amount of the rate surcharge each year during the five-year phase-out period to collect the required percentage of the amount determined at the hearing."

The Amendment was read _____
By: Representative Cook _____
MG/VJF - 032120011050 _____
VVF280 _____

Chief Clerk