

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 83rd General Assembly
3 Regular Session, 2001
4

As Engrossed: H3/22/01

A Bill

HOUSE BILL 2424

5 By: Representative Cook
6
7

For An Act To Be Entitled

9 AN ACT TO AUTHORIZE THE PUBLIC SERVICE COMMISSION
10 TO ASSESS FEES ON ELECTRIC UTILITY RATEPAYERS TO
11 MITIGATE THE DETRIMENTAL IMPACT OF ELECTRIC
12 DEREGULATION; AND FOR OTHER PURPOSES.
13

Subtitle

14 TO AUTHORIZE THE PUBLIC SERVICE
15 COMMISSION TO ASSESS FEES ON ELECTRIC
16 UTILITY RATEPAYERS TO MITIGATE THE
17 DETRIMENTAL IMPACT OF ELECTRIC
18 DEREGULATION.
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22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
23

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

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

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

36 (b)(1) Upon a finding that any school district has a net loss of

1 property tax revenues in excess of ten percent (10%) as a result of retail
2 open access, the commission may:

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

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

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

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

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

13 (D) The fifth year shall be set to collect forty percent
14 (40%) of the net loss of revenues.

15 (c)(1) The rate surcharge shall be limited to the amount of net loss of
16 property tax revenues as determined by the Tax Division of the Arkansas Public
17 Service Commission from evidence submitted in the hearing pursuant to
18 subdivision (a)(1) of this section.

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

22
23 SECTION 2. (a) There is established on the books of the Treasurer of
24 State, Auditor of State, and the Chief Fiscal Officer of the State a trust
25 fund to be known as the Arkansas Electric Utility Industry School District
26 Support Trust Fund.

27 (b)(1) Funds collected pursuant to the fee established in section 1 of
28 this act shall be remitted to the Treasurer of State.

29 (2) The Treasurer of State shall, each month, remit to the
30 treasurer of the county in which the affected school district resides the
31 amount determined by the commission necessary to mitigate the loss of revenues
32 by the school district.

33 (c) The county treasurer shall remit to the school district the
34 appropriate monies.

35 /s/ Cook

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