



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 413** HLS 25RS 455
Bill Text Version: **ORIGINAL**
Opp. Chamb. Action:

Proposed Amd.:
Sub. Bill For.:

Date: April 11, 2025	11:00 AM	Author: DESHOTEL
Dept./Agy.: Public Service Commission		
Subject: PSC Membership		Analyst: Richie Anderson

PUBLIC SERVICE COMN OR +\$1,285,171 SG EX See Note Page 1 of 1
Provides relative to expanding the Public Service Commission

Proposed law provides that the Public Service Commission increase membership from five members to seven members. Proposed law provides that the governor shall appoint two members of the commission, confirmed by the Senate, that shall serve the state as a whole (at-large). Proposed law outlines the eligibility requirements of being 18 years of age and residing in the state for the previous two years for appointees, and the proposed law provides the appointees may not serve longer than two consecutive four-year terms.

Proposed law is contingent on the companion bill (HB 364) which provides for a constitutional amendment to be placed on the ballot for the statewide election held on 11/05/2026, if passed proposed law will be effective on January 1, 2027.

EXPENDITURES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$0	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	\$0
Agy. Self-Gen.	\$0	\$774,106	\$1,285,171	\$1,324,336	\$1,364,566	\$4,748,179
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0					\$0

REVENUES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0					\$0

EXPENDITURE EXPLANATION

Proposed constitutional amendment will increase expenditures for the Public Service Commission (PSC), which are funded by fees collected from utilities and common carriers it regulates. Proposed constitutional amendment increases the PSC membership from five members to seven members. Adding two commissioners will require additional staff and resources. Each commissioner will have a staff comprised of an unclassified Executive Assistant, an unclassified Technical Assistant, a classified Consumer Specialist, and three classified PSC Enforcement Agents. Additionally, expenditures will increase to fund start-up costs, operating expenses, and equipment. PSC asserts that they will either need to increase fees on the utility companies that it regulates, or State General Fund to offset the increase in expenditures. See the table below for a breakdown of costs associated with the proposed constitutional amendment.

State Costs	<u>FY 26-27</u>	<u>FY 27-28</u>	<u>FY 28-29</u>	<u>FY 29-30</u>	<u>Total</u>
Personal Services	\$533,706	\$1,091,222	\$1,126,832	\$1,163,426	\$3,915,186
Operating Expenses	\$82,400	\$173,443	\$176,656	\$179,941	\$612,440
Other Charges	\$8,000	\$15,305	\$15,648	\$15,999	\$54,952
Equipment	<u>\$150,000</u>	<u>\$5,200</u>	<u>\$5,200</u>	<u>\$5,200</u>	<u>\$165,600</u>
Total State Expenditures:	\$774,106	\$1,285,170	\$1,324,336	\$1,364,566	\$4,748,178

Salary and Related Benefits FY 27


Classification	<u># of positions</u>	<u>Salary</u>	<u>Related Benefits</u>	<u>Total</u>
Classified	8	\$41,878	\$28,370	\$561,984
Unclassified	4	\$54,854	\$33,059	\$351,652
Commissioners	<u>2</u>	\$55,500	\$33,293	<u>\$177,586</u>
Total:	14			\$1,091,222

Note: This Fiscal note assumes a 3% increase in salary for unclassified assistants, and a 4% increase for classified staff. If proposed constitutional amendment is approved, proposed law effective on 1/01/2027, so FY 26 only accounts for 50% of costs in that year.

The Secretary of State may incur minimal ballot processing costs associated with this measure. As a regular practice, the Secretary of State typically budgets for up to 10 constitutional amendments and statewide propositions for the fall statewide elections. To the extent the ballot includes more than 10 constitutional amendments and statewide propositions, the Secretary of State may require additional SGF resources for the November 3, 2026, statewide election. Any expenditure impact would be realized in FY 27.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure. Proposed law does not identify or provide an additional source of revenue to offset the increased expenditures. The Public Service Commission may need to raise fees to cover the increased personnel costs associated with this measure.

Senate	<u>Dual Referral Rules</u>	House	
<input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}		<input checked="" type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}	
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}	
			 Patrice Thomas Deputy Fiscal Officer