

Regular Session, 2012

SENATE BILL NO. 273

BY SENATOR PEACOCK

TAX/LOCAL. Authorizes the Louisiana Public Service Commission to require a public utility to include a separate line item for franchise fees collected from the utility's customers. (gov sig)

1 AN ACT

2 To amend and reenact R.S.33:4401 and to enact R.S. 33:4361(C) and R.S. 45:853, relative  
3 to franchise fees and similar charges of political subdivisions on certain public  
4 utilities; to provide for proper notice and explanation of such fees on billing  
5 statements sent to ratepayers within the political subdivision; and to provide for  
6 related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 33:4401 is hereby amended and reenacted and R.S. 33:4361(C) is  
9 hereby enacted to read as follows:

10 §4361. Police jury may grant franchise for use of streets, roads and alleys outside  
11 municipalities

12 \* \* \*

13 **C. Notwithstanding any law, rule, regulation, or order to the contrary,**  
14 **on or after January 1, 2013, the Louisiana Public Service Commission may**  
15 **require that whenever a parish governing authority imposes a franchise fee**  
16 **upon a public utility which the utility collects or recovers from the utility's**  
17 **consumers, the utility's monthly billing statement shall specifically and clearly**

1 include a separate line item for the applicable franchise fee, with the name of  
 2 the parish imposing the fee, the total amount or rate of the franchise fee, and  
 3 the total amount of the billing attributable to the fee.

4 \* \* \*

5 §4401. Granting franchise to use streets for telephone, telegraph, electric light, water  
 6 and gas system

7 A. The governing authorities of all municipalities may grant a franchise to  
 8 any person to use and occupy the streets, alleys, and public places therein, and to  
 9 obstruct the same or any part thereof, by constructing, maintaining, and operating (1)  
 10 poles, wires, and appurtenances for telephone, telegraph, and electric transmission  
 11 and distribution systems and (2) pipelines, mains for a water or gas transportation  
 12 and distribution system. These franchises shall not be exclusive, nor be for a longer  
 13 period than sixty years and shall be subject to any terms, conditions and stipulations  
 14 prescribed by the governing authorities of the municipalities. This section shall not  
 15 apply to municipalities which are required under the provisions of their charter to  
 16 hold referendum elections to grant or lease franchises.

17 B. Notwithstanding any law, rule, regulation, or order to the contrary,  
 18 on or after January 1, 2013, the Louisiana Public Service Commission may  
 19 require that whenever a municipality imposes a franchise fee upon a public  
 20 utility which the utility collects or recovers from the utility's consumers, the  
 21 utility's monthly billing statement shall specifically and clearly include a  
 22 separate line item for the applicable franchise fee, with the name of the  
 23 municipality imposing the fee, the total amount or rate of the franchise fee, and  
 24 the total amount of the billing attributable to the fee.

25 Section 2. R.S. 45:853 is hereby enacted to read as follows:

26 §853. Proper notice and explanation of franchise fees

27 Notwithstanding any law, rule, regulation, or order to the contrary, on  
 28 or after January 1, 2013, the Louisiana Public Service Commission may require  
 29 that whenever a political subdivision imposes a franchise fee upon a public

1        **utility which the utility collects or recovers from the utility's consumers, the**  
2        **utility's monthly billing statement shall specifically and clearly include a**  
3        **separate line item for the applicable franchise fee, with the name of the political**  
4        **subdivision imposing the fee, the total amount or rate of the franchise fee, and**  
5        **the total amount of the billing attributable to the fee.**

6        Section 3. The Louisiana Public Service is hereby urged and requested to study,  
7        including holding public hearings as deemed necessary, requiring public utilities to  
8        specifically and clearly include in the monthly billing statements issued to its consumers a  
9        separate line item for any applicable franchise fee, containing the name of the political  
10       subdivision imposing the fee, the total amount or rate of the franchise fee, and the total  
11       amount of the billing attributable to the fee. The commission shall report its findings to the  
12       legislature on or before February 1, 2013.

13       Section 4. This Act shall become effective upon signature by the governor or, if not  
14       signed by the governor, upon expiration of the time for bills to become law without signature  
15       by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
16       vetoed by the governor and subsequently approved by the legislature, this Act shall become  
17       effective on the day following such approval.

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The original instrument and the following digest, which constitutes no part  
of the legislative instrument, were prepared by Riley Boudreaux.

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#### DIGEST

Peacock (SB 273)

Proposed law authorizes the Louisiana Public Service Commission, notwithstanding any law, rule, regulation, or order to the contrary, on or after January 1, 2013, to require that, whenever a parish governing authority imposes a franchise fee upon a public utility which the utility collects or recovers from the utility's consumers, the utility's monthly billing statement shall specifically and clearly include a separate line item for the applicable franchise fee, with the name of the parish imposing the fee, the total amount or rate of the franchise fee, and the total amount of the billing attributable to the fee.

Proposed law requests the Louisiana Public Service Commission to study requiring public utilities to include such a line item, including holding public hearings as deemed necessary and to report its findings to the legislature on or before February 1, 2013.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S. 33:4510(D))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the original bill

1. Completely changes the proposed law from one which prohibits any payments of a franchise fee by an electric, gas, or water public utility to a political subdivision in excess of 2% from being added to the utility's bill to one which authorizes the PSC to require a line item on a customer's bill from a public utility reflecting such fees as set forth above.