

## State Corporation Commission 2004 Fiscal Impact Statement

**1. Bill Number** SB366

**House of Origin**    ☐ Introduced    ☐ Substitute    ☐ Engrossed  
**Second House**    ☐ In Committee    ☐ Substitute    ☒ Enrolled

**2. Patron**        Watkins

**3. Committee**    Passed Both Houses

**4. Title**            Taxation of certain electric suppliers' real and tangible personal property.

**5. Summary/Purpose:**

Taxation of certain electric suppliers' real and tangible personal property. Clarifies that localities may tax certain electric suppliers' generating equipment at a rate less than the local real estate tax rate.

**6. Fiscal Impact Estimates are:** Not Available. There could be a fiscal impact on the localities. See item 8.

**7. Budget amendment necessary:** No

**8. Fiscal implications:** This legislation attempts to clarify that, although the localities are prohibited from using a rate greater than the real estate rate, they can use a rate less than the real estate rate on generating equipment reported to the Commission for assessment. There were some concerns among the localities that the current language did not give them the discretion to use a rate less than the real estate rate. This legislation simply attempts to clarify that concern. Any locality currently taxing at the real estate rate would be fiscally impacted if they chose to reduce the rate.

**9. Specific agency or political subdivisions affected:** Localities (Cities, Counties, and Towns)

**10. Technical amendment necessary:** None noted.

**11. Other comments:** Although the current language gave the localities the ability to use a rate less than the real estate rate on generating equipment, many localities felt it was unclear. This bill attempts to clarify the current provisions.

**Date:** 03/08/04 / RST

cc: Secretary of Finance