

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 220** SLS 25RS 122

Bill Text Version: **REENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 21, 2025	8:23 AM	Author: CATHEY
Dept./Agy.: Statewide		Analyst: Kimberly Fruge
Subject: Local Agencies		

LOCAL AGENCIES

RE SEE FISC NOTE LF EX

Page 1 of 2

Provides for the revision of statutes relating to local agencies. (8/1/25)

Proposed law allows a local governing authority that owns and operates a water utility that receives a grade of "D" or "F" under the Community Drinking Water Infrastructure Sustainability Act to sale or lease the utility without conducting an election if the governing authority finds by official action that the municipality is either financially, managerially, or technically unable to restore the utility to a better grade; allows a local governing authority that owns an operates a sewer utility that experiences pollutant discharge in excess of the Final Effluent Limitations specified in the utility's Louisiana Pollutant Discharge Elimination System General or Site Specific Permit to sale or lease the utility without conducting an election if the governing authority finds by official action that the municipality is either financially, managerially, or technically unable to restore the utility to regulatory compliance. Proposed law allows any municipality or parish within the state to create, organize, and establish districts and commissions within its jurisdictional boundaries through the passage of an ordinance. Proposed law provides that a local governing authority be immune from damage to public works projects by excessive, unlawful drainage into its system. Proposed law remits the fines collected for convictions of interference with a drainage system to the local governing body instead of the state general fund.

EXPENDITURES	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	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	SEE BELOW					

Annual Total

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

Annual Total

EXPENDITURE EXPLANATION

Proposed law may result in an indeterminable change in Local Fund expenditures; however, such changes are nuanced and situational. Proposed law allows a local governing authority that owns and operates a water or sewer utility to sale or lease the utility, under certain conditions, without conducting an election, and provides that municipalities or parishes have the authority to create, organize, and establish districts and commissions within its jurisdictional boundaries.

To the extent local governing authorities forego conducting an election for the sale or lease of a water or sewer utility, the local governing authority may realize a decrease in expenditures. Local governing authorities are required to pay their pro rata share of election costs when placing an initiative on the ballot. Under proposed law, when the conditions are met where an election is not required, the local governing authority will not be required to pay to place the initiative on the ballot.

To the extent local governing authorities create districts and commissions within its jurisdictional boundaries there may be an increase in expenditures to create and implement such district or commission. Any such increase in expenditures is indeterminable at this time. Proposed law is permissive and will require passage of an ordinance.

EXPENDITURE EXPLANATION CONTINUED ON PAGE TWO

REVENUE EXPLANATION

Proposed law may lead to a decrease in SGF revenues and an increase in Local Fund revenues for any fines collected from those convicted of interference with drainage. Any impact is anticipated to be minimal.

Under current law, the Department of Transportation and Development (DOTD) and the Coastal Protection and Restoration Authority (CPRA) can request state police issue a citation to any person who is violation of interference with drainage; provides for a fine of not less than \$25 nor more than \$300; provides that each fine imposed be forwarded to the treasurer for the state general fund. Proposed law shifts the request and payment from the state departments to the local governing bodies. The exact fiscal impact on revenue is unknown as it is not known how many people will be convicted of interfering with drainage and the amount of the fines imposed may vary.

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

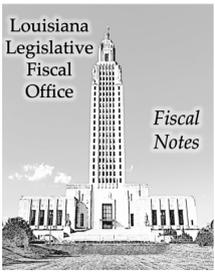
6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Patrice Thomas
Deputy Fiscal Officer

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CONTINUED EXPLANATION from page one:

Proposed law appears to provide a local governing authority or district immunity from damage to public works projects by excessive, unlawful draining into its system. To the extent such damages occur, the local governing authority or district may realize cost savings related to settlements. It is not clear whether damage to such systems would may the responsibility of another governing authority or district who may own those systems, which would be a transferal of cost between local entities. Any such immunity from damages is speculative and cannot be quantified.

Senate

Dual Referral Rules

- 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
- 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House

- 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
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