



**OFFICE OF LEGISLATIVE AUDITOR
Fiscal Note**

Fiscal Note On: **HB 59** HLS 21RS 406
 Bill Text Version: **REENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 13, 2021	1:31 PM	Author: LACOMBE
Dept./Agy.: Political Subdivisions		Analyst: Jamie Mergist
Subject: Waivers/Water Charges		

DISTRICTS/WATERWORKS RE SEE FISC NOTE LF RV See Note Page 1 of 1
 (Constitutional Amendment) Authorizes a political subdivision to waive water charges incurred through damage not caused by the customer

Purpose of Bill: This bill authorizes political subdivisions to waive charges for water if the charges are the result of water lost due to damage to the water delivery infrastructure and that damage is not the result of any act or failure to act by the customer being charged for the water. Proposed constitutional amendment shall be submitted to the electors of the state of Louisiana at the statewide election to be held on November 8, 2022.

EXPENDITURES	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>5 -YEAR TOTAL</u>
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	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						

REVENUES	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>5 -YEAR TOTAL</u>
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Annual Total						

EXPENDITURE EXPLANATION

This measure may increase local fund expenditures by an indeterminate amount.

For those political subdivisions that choose to waive water charges under the bill, administrative time may increase due to additional work necessary to verify and document water leaks and bill adjustments, resolve disputes, and develop new policies. For some portion of the estimated 600 political subdivisions that provide water to customers, the additional administrative time may result in actual expenditures for overtime or additional staff.

REVENUE EXPLANATION

This measure may decrease local fund revenue by an indeterminate amount.

Revenues are likely to decrease because political subdivisions that have previously been prohibited by law from waiving water charges will now be allowed to do so. The Louisiana Rural Water Association estimates that a reasonable annual reduction of revenues for each water system, excluding the impact of disasters, could range from approximately \$3,000 to \$22,000, depending on each system's number of connections, population, rate structure, and source of water.

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

M. G. Battle
Michael G. Battle
Manager, Advisory Services