



OFFICE OF LEGISLATIVE AUDITOR
Fiscal Note

Fiscal Note On: HB 6 HLS 171ES 15
Bill Text Version: ORIGINAL
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Date: February 16, 2017 11:12 AM Author: PUGH
Dept./Agy.: Water and Sewer Systems in Tangipahoa Parish Area Analyst: Steven Kraemer
Subject: Collection of Sewer Service Fees

SEWERAGE OR INCREASE LF EX See Note Page 1 of 1
Provides for the collection of sewerage fees imposed by Sewerage District No. 1 for Tangipahoa Parish (Item #5)

Purpose of Bill: This bill requires certain collection efforts of municipalities, parishes, water districts, and private water companies operating water systems for customers served by Sewerage District No. 1 for Tangipahoa Parish (affecting approximately 8 collecting entities). It requires them to collect sewer service fees on behalf of the sewerage district, and holds these collecting entities liable for damages caused to the sewerage district by failure to collect the sewer service fees. In addition, this bill authorizes the sewerage district to enact an ordinance enforcing the provisions of the bill, which may include requiring water systems to terminate water service to customers who fail to pay sewer service fees timely.

Table with 7 columns: EXPENDITURES, 2017-18, 2018-19, 2019-20, 2020-21, 2021-22, 5-YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total.

Table with 7 columns: REVENUES, 2017-18, 2018-19, 2019-20, 2020-21, 2021-22, 5-YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total.

EXPENDITURE EXPLANATION

There may be an indeterminable increase in local government expenditures as a result of this measure.

We surveyed three entities affected by this bill. An official with the Sewerage District No. 1 of Tangipahoa Parish indicated that this bill may increase the district's expenditures by approximately \$300 annually due to paying billing and collection fees to one water system (a nonprofit system) that doesn't currently collect sewer service fees for the sewage district but is expected to do so under this bill. This estimate is based on 20 customers and a billing and collection fee of \$1.31 per month per customer.

Officials with the City of Hammond and the Tangipahoa Parish Water District indicated that this bill may increase the expenditures of their respective organizations by an indeterminable amount to the extent that their organizations are held liable for damages suffered by the sewerage district as a result of their organizations' failure to collect sewer fees. This expenditure increase may even include costs related to legal proceedings resulting from the recouping of damages.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Officials from the entities that we surveyed (the Sewerage District No. 1 of Tangipahoa Parish, City of Hammond, and Tangipahoa Parish Water District) indicated that this bill would not impact the revenue of their respective organizations. The same amount of revenue would be collected and passed on to the Sewerage District No. 1 under the provisions of this bill.

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

Signature of Michael G. Battle
Michael G. Battle
Manager, Advisory Services