

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 427** HLS 13RS 830

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 18, 2013 4:37 PM	Author: FANNIN
Dept./Agy.: Public Service Commission	Analyst: Charley Rome
Subject: Limits PSC Regulation of Nonprofit Water Cooperatives	

UTILITIES OR SEE FISC NOTE SD RV Page 1 of 1
(Constitutional Amendment) Limits power of the PSC to regulate nonprofit water utility cooperatives wholly owned by water users

Proposed constitutional amendment prohibits the PSC from regulating any nonprofit water utility cooperative or corporation wholly owned by water users where each user has the right to vote for the directors of the cooperative. Provides for an effective date of January 1, 2015. Provides for submission of the proposed amendment to the voters at the statewide election to be held November 4, 2014.

EXPENDITURES	2013-14	2014-15	2015-16	2016-17	2017-18	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	DECREASE	DECREASE	DECREASE	DECREASE	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0					\$0

REVENUES	2013-14	2014-15	2015-16	2016-17	2017-18	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	(\$105,000)	(\$210,000)	(\$210,000)	(\$210,000)	(\$735,000)
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	(\$105,000)	(\$210,000)	(\$210,000)	(\$210,000)	(\$735,000)

EXPENDITURE EXPLANATION

The proposed Constitutional Amendment is likely to decrease PSC expenditures from Inspection and Supervision fees by an indeterminable but likely insignificant amount associated with not regulating non-profit water companies. The PSC would incur decreased staff workload and other decreases in miscellaneous costs by removing PSC regulatory authority over non-profit water companies. However, the PSC does not track staff time and expenses associated with regulation of non-profit water companies. As such, the PSC is unable to quantify the potential decrease in expenditures associated with not regulating non-profit water companies. The PSC regulates approximately 250 non-profit water companies currently.

The proposed bill provides that the constitutional amendment be submitted to voters at the November 4, 2014 election. The November 4, 2014 election is a statewide election, when all precincts in the state are scheduled to be opened. As a regular practice, the Secretary of State budgets for up to 10 constitutional amendments for the fall statewide elections.

REVENUE EXPLANATION

The proposed legislation will decrease Inspection and Supervision fees by approximately \$210,000 per year beginning January 1, 2015. The PSC currently regulates approximately 250 non-profit water companies and collects approximately \$210,000 annually in Inspection and Supervision fees from regulated non-profit water companies. The PSC will no longer collect these fees from water companies except for companies that elect to remain under PSC regulatory authority as authorized by the bill.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}		<input type="checkbox"/> 6.8(F) >= \$500,000 Annual Fiscal Cost {S}
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux

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