

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 6572**

**BILL NUMBER: HB 1237**

**DATE PREPARED:** Dec 6, 1998

**BILL AMENDED:**

**SUBJECT:** Municipal collection of fees.

**FISCAL ANALYST:** Beverly Holloway

**PHONE NUMBER:** 232-9851

**FUNDS AFFECTED:  GENERAL  
 DEDICATED  
 FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill allows the City of Elkhart to recover costs related to furnishing water for fire protection by including the expenses in the basic rates of township customers of the city's water utility by filing a schedule of rates with the Indiana Utility Regulatory Commission.

The bill provides that the amount unpaid, the late penalty, and the attorney's fees that are the result of a delinquent municipal sewer bill, for certain municipalities, may be collected only from the user of the property. (Current law allows the amount to be collected from the user of the property or the owner of the property.)

**Effective Date:** July 1, 1999.

**Explanation of State Expenditures:** The filing of a schedule of rates with the Indiana Utility Regulatory Commission (IURC) can be done within the existing budget and no additional state General Fund appropriation is needed.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** If a sewer bill remains unpaid, a lien can be filed against the property. This bill could increase the number of liens filed and increase the amount of fees for recording a lien.

**Explanation of Local Revenues:** This bill allows the City or Elkhart to recover costs of maintaining hydrants and furnishing water for fire protection from customers in Baugo Township, Elkhart County. The inclusion of these costs will increase the basic water rates of the township customers. The rates are not subject to the approval of the IURC. The fiscal impact is dependent on local action.

Currently a municipality is allowed to file a civil action for a delinquent municipal sewer bill against a

delinquent user of the property owner. This bill would allow for a civil action to only be filed against the delinquent user. This bill would reduce the number of options that a municipality has in collecting a delinquent sewer bill which could cause a revenue from delinquent fees to be collected in a less timely manner. There could also be a decrease in the amount of revenue collected.

**State Agencies Affected:** Indiana Utility Regulatory Commission.

**Local Agencies Affected:** City of Elkhart; Baugo Township, Elkhart County; Municipalities with a Department of Public Sanitation; Department of Public Works of a Consolidated City.

**Information Sources:**