

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

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6806
BILL NUMBER: SB 177

DATE PREPARED: Feb 24, 1999
BILL AMENDED: Feb 23, 1999

SUBJECT: Operation of certain water and sewer utilities.

FISCAL ANALYST: Brian Tabor
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FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill authorizes the Indiana Utility Regulatory Commission (IURC) to review specified aspects of a utility company that provides water or sewer service. It provides that if the Commission finds that such a utility company has continued violations of Indiana law or Commission orders or if a review of the utility company reveals that it has severe deficiencies in its operations that are unlikely to be remedied, the Commission may order the sale of the utility company or the filing of an action for the appointment of a receiver for the utility company.

The bill also requires the Regulatory Flexibility Committee to study and make any necessary recommendations to the General Assembly regarding the commission's enforcement powers.

Effective Date: July 1, 1999.

Explanation of State Expenditures: (Revised) This proposal would allow the IURC to review the operation of a water or sewer utility upon its own motion, at the request of the Office of the Consumer Counselor (OUCC), or a customer of the utility (this provision does not apply to municipally-owned utilities). If the utility has committed continued violations of Commission orders and other acts of noncompliance, the IURC may provide for the utility to be acquired by another entity or be placed into receivership. While this bill makes additional enforcement options available to the IURC, it should require no new procedures and minimal additional expenditures for the Commission and the OUCC.

The provision regarding the Regulatory Flexibility Committee would not have a fiscal impact.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Indiana Utility Regulatory Commission, Office of the Utility Consumer Counselor.

Local Agencies Affected:

Information Sources: Mike Leppert, Director, Consumer Affairs, IURC, (317) 232-2714.