

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

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 7121

BILL NUMBER: SB 274

NOTE PREPARED: Jan 1, 2007

BILL AMENDED:

SUBJECT: Sewage Disposal Service in Rural Areas.

FIRST AUTHOR: Sen. Sipes

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
- DEDICATED
- FEDERAL

IMPACT: State & Local

Summary of Legislation: The bill provides that before the Utility Regulatory Commission (IURC) may issue a certificate of territorial authority to a sewage disposal company that provides or will provide sewage disposal service to less than 500 customers, the IURC must determine that the company is the most appropriate provider of sewage disposal services for the rural area covered by the certificate of territorial authority. The bill provides that the issuance of a certificate of territorial authority to a company is subject to review and approval by the Department of Environmental Management (IDEM).

Effective Date: July 1, 2007.

Explanation of State Expenditures: IDEM and the IURC may experience an increase in administrative expenditures. The specific increase for IURC would depend on the time and resources that would be involved in making a determination that the company is the most appropriate provider. IDEM's increases should be minor and would depend on the extent to which IDEM reviews the application. It is expected that both agencies will be able to cover any additional administrative expenses given their current levels of resources and budgets.

Explanation of State Revenues:

Explanation of Local Expenditures: The verified application of the package sewage disposal company must include a resolution adopted by the board of county commissioners in support of the verified application. This provision could result in a minor increase in administrative expenses for the county. It is assumed that counties will be able to cover any additional expense given their existing level of resources.

Explanation of Local Revenues:

State Agencies Affected: IURC; IDEM.

Local Agencies Affected: Counties.

Information Sources:

Fiscal Analyst: Bernadette Bartlett, 317-232-9586.