

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4460-01
Bill No.: HB 1383
Subject: Public Service Commission; Counties; Water Resources; Water Districts
Type: Original
Date: February 27, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Department of Economic Development - Public Service Commission (PSC)** state this proposal outlines procedures for water corporations contracting with sewer providers to terminate water services of persons in arrears on sewer bills. This bill will not have any effect on PSC.

Officials of the **Department of Economic Development - Office of the Public Counsel (OPC)** state although this bill has some impact on OPC, OPC should be able to absorb the changes; however, if the requirements of this bill are combined with additional requirements or changes OPC may incur a fiscal impact.

Officials from the **State Courts Administrator, Department of Natural Resources, the City of Kansas City, the City of Springfield, Jefferson County and Platte County** assume this proposal would not fiscally impact their agencies.

City of Fulton officials state this proposal would have a positive fiscal impact on Fulton. The average residential sewer bill is usually not too big, but without the ability to terminate service, it gets down to an issue of fairness and equity. Losses are being covered by all customers.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal allows any water corporation, municipality providing water, or any water district to contract with sewer providers to terminate water services to any water user for nonpayment of a sewer bill. A written request from the municipality providing sewer service must first be submitted to the corporation, municipality, or district that provides the water.

Currently, any sewer corporation, municipality, or sewer district is allowed to contract with any water corporation, municipality, or water district to terminate water services for nonpayment of a sewer bill. Current law requires that written notice be sent to the customer by certified mail before the water can be disconnected. The bill removes this requirement.

Current law says that a water corporation, municipality, or water district that disconnects water service cannot be held liable for damage related to the disconnection unless it is caused by the negligence of the water corporation, municipality, or water district. The bill makes any water provider or independent contractor acting on behalf of the water provider immune from civil liability for damages or costs resulting from disconnection.

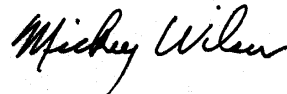
The bill also specifies the requirements of any agreement between a water provider and a sewer provider for the disconnection of water services and the collection of delinquent payments for water and sewer services.

DESCRIPTION (continued)

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Economic Development
Public Service Commission
Office of the Public Counsel

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
February 27, 2004