



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2009 Biennium

Bill #	HB0107	Title:	Increase public water supply fees
Primary Sponsor:	Gallik, D.	Status:	As Introduced

- Significant Local Gov Impact
 Include in HB 2
 Technical Concerns
 Included in the Executive Budget
 Significant Long-Term Impacts
 Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
Expenditures:				
State Special Revenue	\$0	\$0	\$0	\$0
Revenue:				
State Special Revenue	\$144,251	\$145,694	\$147,151	\$148,623
Net Impact-General Fund Balance	\$0	\$0	\$0	\$0

Description of fiscal impact:

The increase of fees assessed on owners of public water supply systems will increase revenue to the Public Water Supply Section of the Department of Environmental Quality. The fee increases will align with the cost to the department for providing services.

FISCAL ANALYSIS

Assumptions:

- The proposed 25% fee increase would raise the minimum fee cap as follows:
 - Large community water systems (with over 50 service connections) would change from \$2.00 per connection to \$2.50. (227,126 service connections x \$0.50 = \$113,563)
 - Small community water system (50 or fewer service connections) would change from a total fee of \$100 to \$125. (408 small community systems x \$25 = \$10,200)
 - Non-transient non-community systems (offices, schools, daycare) would change from \$100 to \$125 (228 systems non-transient systems x \$25 = \$5,700)
Transient Non-Community Water Systems (restaurants, motels, bars, etc.) would change from a total of \$50.00 to \$62.50. (1,183 transient systems x \$12.50 = \$14,788)
 - Total revenue increase: \$113,563 + \$10,200 + \$5,700 + \$14,788 = \$144,251
- Based on the average revenue increase/decrease for FY 2003 through FY 2006, it is estimated that revenue from fees will increase approximately 1% per year.

Fiscal Note Request – As Introduced

(continued)

- a. \$144,251 (FY 2008) x 101% = \$145,694 (FY 2009)
 - b. \$145,694 (FY 2009) x 101% = \$147,151 (FY 2010)
 - c. \$147,151 (FY 2010) x 101% = \$148,623 (FY 2011)
3. The proposed fee increases would be assessed to the system owners, but the fee will be passed on to the system water users through their normal billing process as allowed in state statutes.
 4. The increased revenue will be used to support the operation of the existing program.

	<u>FY 2008</u> <u>Difference</u>	<u>FY 2009</u> <u>Difference</u>	<u>FY 2010</u> <u>Difference</u>	<u>FY 2011</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
<u>Revenues:</u>				
State Special Revenue (02)	\$144,521	\$145,694	\$147,151	\$148,623
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
State Special Revenue (02)	\$144,521	\$145,694	\$147,151	\$148,623

Effect on County or Other Local Revenues or Expenditures:

1. Municipalities and other local governments that own and operate public water systems will be required to pay the increased fee assessment.
2. As allowed in state statute, the increased costs may be passed on to the system users.

Sponsor's Initials

Date

Budget Director's Initials

Date