



**Fiscal Note**  
**H.B. 135 2nd Sub. (Gray)**  
 2018 General Session  
 Extraterritorial Jurisdiction Amendments  
 by Noel, M. (Noel, Michael.)



**General, Education, and Uniform School Funds**

JR4-5-101

	Ongoing	One-time	Total
Net GF/EF/USF (rev.-exp.)	\$0	\$(16,900)	\$(16,900)

**State Government**

UCA 36-12-13(2)(b)

Enactment of this legislation allows retail water providers to charge \$1 per customer per billing cycle to generate revenue to support water infrastructure beginning January 1, 2019. This bill would dedicate 25 cents of this charge to both the new expendable special revenue fund "Drinking Water Expendable Special Revenue Fund" and the existing "Water Infrastructure Restricted Account". The remaining 50 cents can be retained by the provider to invest in the water provider's infrastructure and long-term planning. There are approximately 940,000 customers who would be affected by the proposed charge. Assuming all providers assess the charge, approximately \$1,410,000 would be generated for the Drinking Water Expendable Special Revenue Fund and \$1,500,000 for the Water Infrastructure Restricted Account in FY 2019 and \$2,820,000 for each account beginning in FY 2020.

Revenues	FY 2018	FY 2019	FY 2020
GFR - Water Infrastructure Restricted Account	\$0	\$1,410,000	\$2,820,000
New Account Created By Legislation	\$0	\$1,410,000	\$2,820,000
<b>Total Revenues</b>	<b>\$0</b>	<b>\$2,820,000</b>	<b>\$5,640,000</b>

Enactment of this bill could cost the Department of Environmental Quality \$16,900 one-time from the General Fund in FY 2019 for the staff time costs related to establishing rules for the expenditure of revenues from the Drinking Water Expendable Special Revenue Fund. The Department of Environmental Quality has indicated it can absorb this cost in its existing budget. The Department of Environmental Quality could also incur \$11,300 in ongoing costs to administer this new fund which would be charged to the special revenue fund itself beginning in FY 2019.

Expenditures	FY 2018	FY 2019	FY 2020
General Fund, One-Time	\$0	\$16,900	\$0
New Account Created By Legislation	\$0	\$11,300	\$11,300
<b>Total Expenditures</b>	<b>\$0</b>	<b>\$28,200</b>	<b>\$11,300</b>

<b>Net All Funds</b>	<b>\$0</b>	<b>\$2,791,800</b>	<b>\$5,628,700</b>
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**Local Government**

UCA 36-12-13(2)(c)

To the extent that a local government is a retail water provider and they choose to implement the charge allowed under this legislation, they would be entitled to 50 cents from each charge. Assuming all providers impose the charge, 940,000 consumers would be affected by the charge, resulting in \$5,640,000 in potential revenues for retail water providers.

**Individuals & Businesses**

UCA 36-12-13(2)(d)

Enactment of this legislation would allow retail water providers to impose a \$1 charge to their customers per billing cycle beginning on January 1, 2019. Customers of providers that elect to impose the fee would see an increase in their water bills of \$1 per cycle. Assuming all providers impose the fee, individuals would pay a total of \$11,280,000 annually.

**Regulatory Impact**

UCA 36-12-13(2)(e)

Enactment of this legislation could result in a medium increase in the regulatory burden for Utah residents or businesses.

**Performance Note**

JR4-2-404

No performance note required for this bill

**Notes on Notes**

Fiscal notes estimate the direct costs or revenues of enacting a bill. The Legislature uses them to balance the budget. They do not measure a bill's benefits or non-fiscal impacts like opportunity costs, wait times, or inconvenience. A fiscal note is not an appropriation. The Legislature decides appropriations separately.