

**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 7795**

**BILL NUMBER: SB 553**

**NOTE PREPARED: Jan 16, 2003**

**BILL AMENDED:**

**SUBJECT:** Fire Protection Costs.

**FIRST AUTHOR:** Sen. Broden

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**  **GENERAL**  
 **DEDICATED**  
 **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** The bill allows a municipally owned water utility in a second class city in St. Joseph County to petition the Indiana Utility Regulatory Commission (IURC) to include in the utility's schedule of rates the fire protection costs for each property owner who is not a customer of the utility but whose property is located within 1,000 feet of a fire hydrant within the service area of the utility. The bill allows the municipally owned utility to charge a fee to such property owners in an amount equivalent to the amount by which the rate for customers of the utility is changed. The bill requires the IURC to approve a new schedule of rates to take effect 30 days after the IURC's receipt of the utility's petition and recalculated rate schedule. The bill makes technical changes in the law concerning utilities' rates for fire protection costs to reflect changes in the law that became effective July 1, 2002.

**Effective Date:** July 1, 2003.

**Explanation of State Expenditures:** The IURC could absorb any additional it may incur as a result of this bill.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** Under current law, water related costs for a municipality's fire protection are typically charged to the municipality. This bill would allow the IURC to approve fees so that the costs for fire protection would be included in the recoverable costs from a water utility's customers. If the IURC approves changes in a water utility's tariff structure such that fire protection costs are recovered from customers, municipalities could have reduced expenses. This bill could impact South Bend and Mishawaka.

**Explanation of Local Revenues:**

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

**Local Agencies Affected:** South Bend, Mishawaka

**Information Sources:**

**Fiscal Analyst:** John Parkey, 317-232-9854