

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6425

BILL NUMBER: HB 1076

NOTE PREPARED: Mar 14, 2006

BILL AMENDED: Mar 13, 2006

SUBJECT: Contracts for Public Water and Wastewater Projects.

FIRST AUTHOR: Rep. Friend

FIRST SPONSOR: Sen. Hershman

BILL STATUS: Enrolled

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: This bill includes water and wastewater, in addition to energy, under the guaranteed savings contracts and utility efficiency programs that may be used by local units of government to reduce consumption and usage costs or to provide billable revenue increases.

Effective Date: July 1, 2006.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: Current law allows local units of government to enter into a utility energy efficiency program or a guaranteed energy savings contract with a qualified provider to reduce the unit's energy consumption costs or operating costs if the savings due to an improvement will cover the costs of the improvement. This bill will allow the same to be done for projects that will reduce water usage and consumption costs. It also will allow local units to enter into efficiency programs or savings contracts to provide billable revenue increases.

Local units of government would not only be able to pay for additional conservation improvements with cost savings but could also experience those cost savings after the improvement is paid in full. The fiscal impact of this bill is dependent on local action.

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected: School corporations, libraries, and political subdivisions.

Information Sources:

Fiscal Analyst: Chuck Mayfield, 317-232-4825.