

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 6863

BILL NUMBER: HB 1206

NOTE PREPARED: Jan 22, 2024

BILL AMENDED: Jan 18, 2024

SUBJECT: Voting by Small Water and Wastewater Utilities.

FIRST AUTHOR: Rep. Meltzer

FIRST SPONSOR:

BILL STATUS: 2nd Reading - 1st House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: This bill specifies that a sewage disposal company that is subject to the jurisdiction of the IURC for having been issued more than one enforcement order from the Indiana Department of Environmental Management (IDEM) may not seek to withdraw from the IURC's jurisdiction during the rate regulation prescribed in the statute.

The bill also authorizes a member or shareholder of the utility to cast a vote by secret absentee ballot on the question of the IURC's jurisdiction over the utility. The bill provides that the notice of the meeting on the question of the IURC's jurisdiction over the utility must be sent not less than 45 days (instead of 30 days, under current law) before the meeting. The bill also specifies the notice must include: (1) instructions for how a member or shareholder may request an absentee ballot; (2) a statement that a request for an absentee ballot precludes a member or shareholder from voting in person at the meeting; (3) instructions for returning or delivering an absentee ballot; and (4) the deadline for returning an absentee ballot, which must be not earlier than 10 calendar days and not later than five calendar days; before the meeting on the question, along with information as to when an absentee ballot will be considered received by the board. It also provides that the 5% quorum required for members or shareholders to transact business and to take official action regarding the question of the IURC's jurisdiction over the utility includes votes cast by absentee ballot.

The bill also provides that if: (A) a utility successfully withdraws from the IURC's jurisdiction; (B) after the withdrawal, a referendum is held on the question of the utility returning to the IURC's jurisdiction; and less than a majority of the votes cast are in favor of returning to the IURC's jurisdiction; another referendum on the question of returning to the IURC's jurisdiction may not be conducted for two years (instead of four years, under current law) following the date of the meeting at which the vote is conducted.

This bill also makes conforming changes.

Effective Date: Upon passage.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: The bill makes changes to the manner in which municipal utilities conduct votes to both withdraw from and return to the authority of the IURC. The impact on workload and expenditures will vary and depend upon decisions made by municipal utilities.

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected: Municipal utilities.

Information Sources:

Fiscal Analyst: Bill Brumbach, 317-232-9559.