

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 2119 - SB 2370

February 7, 2016

SUMMARY OF BILL: Prohibits a government body of any city, town, or utility district from recovering any charges or penalties for the furnishing of water, wastewater, or sewer service to a tenant from a property owner that is not party to the tenant's contract for services with the city, town, or utility district.

Requires the notice for an action to collect delinquent payments, penalties, and interest for sewer or wastewater disposal utility services to be mailed, not less than 90 days prior to the filing of any action, to the last known address of the utility user as contained on tax records. Requires the notice to state that unless payments are brought up to date, a lien will be attached to the utility user's property.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- Pursuant to Tenn. Code Ann. § 7-82-312, the responsibility of paying delinquent taxes, penalties, and interest for sewer and wastewater disposal utility services currently falls upon the property owner.
- Based on information from the Tennessee Association of Utility Districts, shifting the responsibility of delinquent payments from property owners to utility users will not have a significant impact on public utility districts revenue or expenditures.
- Changing the responsibility for paying delinquent amounts plus penalties for sewer and wastewater services from the property owner to the utility user will not result in a significant fiscal impact on local government.

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IMPACT TO COMMERCE:

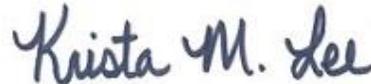
NOT SIGNIFICANT

Assumptions:

- The shift in payment responsibility for delinquent sewage or wastewater utility fees from the property owner to the utility user may lead to a decrease in business expenditures for property owners that rent space to a business that has a utility contract with a public utility entity and an increase in business expenditures for business utility users that are property lessees.
- The net impact to business and jobs in the state is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

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