

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1630 – SB 1798

January 28, 2020

SUMMARY OF BILL: Removes separate training requirements for certain utility district commissioners and places such commissioners under the same training requirements as the remaining utility commissioners. Expands the investigative authority of the Utility Management Review Board (UMRB) and the Water and Wastewater Financing Board (WWFB). Removes the ability for certain local governments to choose if they are governed by the UMRB or WWFB as a condition of receiving a loan from the Drinking Water Revolving Loan Fund (DWRLF).

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- Pursuant to Tenn. Code Ann. § 7-82-308:
 - Commissioners serving on boards of utility districts are required to meet certain annual training and continuing education requirements;
 - Training and continuing education requirements for commissioners serving on board of utility districts which provide natural gas, or water and natural gas are met if the utility district or an association of gas utility districts provides extensive annual training substantially equal to the training requirements placed on other commissioners; and
 - Training curriculum provided by any association, organization, or district, is required to be approved by the Comptroller of the Treasury (COT).
- The proposed language removes separate training standards set for such commissioners, effectively placing them under the same requirements as other commissioners.
- According to the COT, removal of such language:
 - Will not alter the number of hours of training and continuing education such commissioners are currently required to receive; and
 - Will not alter the curriculum requirements currently in place for entities providing training to such commissioners.
- Placing such commissioners under the same training and continuing education requirements will not result in any significant fiscal impact to local government.
- Pursuant to Tenn. Code Ann. § 7-82-709(a) and § 68-221-1009(a)(6), the UMRB and WWFB have the authority to investigate public water systems to ensure that such

systems are in compliance with federal and state acts, and if not, they have the authority to require such systems to take appropriate action to correct any deficiencies.

- Pursuant to Tenn. Code Ann. § 68-221-1206(a), certain criteria must be met by water systems in order to be eligible to receive a loan from the DWRLF. One level of criteria would require local governments to agree to fall under the jurisdiction of either the WWFB or the UMRB; however certain local governments could decide under which Board they would be governed.
- The proposed language:
 - Expands the investigative authority of the UMRB and WWFB to include all systems which are currently under the jurisdiction of such Board, not just public water systems;
 - Expands the authority of the Comptroller of the Treasury (COT) to recommend the WWFB assert its authority upon any water system or wastewater facility, not just those systems or facilities which have had certain, specific audit findings;
 - Removes the criteria requiring local governments to agree to fall under the jurisdiction of either the WWFB or the UMRB as a condition of eligibility for receipt of a loan from the DWRLF.
- According to the COT, the proposed language will not result in the need for additional staff or resources within the UMRB or WWFB; therefore any increase in state expenditures is estimated to be not significant.
- Pursuant to Tenn. Code Ann. § 68-221-1203(6), any local government entity which would apply to receive a loan through the DWRLF would already fall under the jurisdiction of either the UMRB or the WWFB. Removal of such criteria from Tenn. Code Ann. § 68-221-1206(a)(8) effectively only removes the ability for certain local entities to choose under which of the two Boards they would be governed as a condition for receiving such loan funds; therefore removal of such criteria is not estimated to result in any significant fiscal impact to state or local government.

IMPACT TO COMMERCE:

NOT SIGNIFICANT

Assumption:

- The proposed legislation impacts only those utility systems owned and operated by local governments, not privately owned, for-profit systems; therefore it will not result in any significant impact to jobs or commerce in Tennessee.

CERTIFICATION:

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



Krista Lee Carsner, Executive Director

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