



# OFFICE OF LEGISLATIVE AUDITOR Fiscal Note

Fiscal Note On: **HB 577** HLS 14RS 531

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> March 17, 2014 10:33 AM	<b>Author:</b> BROWN, TERRY
<b>Dept./Agy.:</b> Waterworks District No. 3 of Rapides Parish	<b>Analyst:</b> Staci Cefalu
<b>Subject:</b> Acquisition of water system	

DISTRICTS/WATERWORKS EG +\$18,000 LF RV See Note Page 1 of 1  
Authorizes Waterworks District No. 3 of Rapides Parish to acquire a privately owned water system located in Grant Parish

**Purpose of Bill:** This measure authorizes Waterworks District No. 3 of Rapides Parish to acquire, by donation, one privately owned water system located in Grant Parish.

EXPENDITURES	2014-15	2015-16	2016-17	2017-18	2018-19	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$17,500
<b>Annual Total</b>	<b>\$3,500</b>	<b>\$3,500</b>	<b>\$3,500</b>	<b>\$3,500</b>	<b>\$3,500</b>	<b>\$17,500</b>

REVENUES	2014-15	2015-16	2016-17	2017-18	2018-19	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$90,000
<b>Annual Total</b>	<b>\$18,000</b>	<b>\$18,000</b>	<b>\$18,000</b>	<b>\$18,000</b>	<b>\$18,000</b>	<b>\$90,000</b>

### EXPENDITURE EXPLANATION

**Local fund expenditures may increase by approximately \$3,500 annually.**

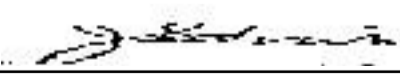
According to officials with Waterworks District No. 3 of Rapides Parish (the District), operating the newly acquired water system will increase expenditures by an estimated \$3,500 annually (labor costs and maintenance).

### REVENUE EXPLANATION

**Local fund revenue may increase by approximately \$18,000 annually.**

According to officials with the District, acquiring the privately owned water system is anticipated to increase revenue by approximately \$18,000 annually. The calculation is based on 162 currently active meters at the average monthly charge per meter of \$34 (162 x \$34 = approximately \$5,500). The District currently sells water to the privately owned system at an average of \$4,000 per month. Therefore the net increase in annual revenue to the District would be \$18,000. (\$5,500 - \$4,000 = \$1,500 x 12 months = \$18,000 annually).

- Senate Dual Referral Rules House
- 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}
  - 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}
  - 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
  - 6.8(F)(2) >= \$500,000 State Rev. Reduc. {H & S}
  - 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}



**Joy Irwin**  
Director of Advisory Services