

# SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

BILL: SB 1922  
 SPONSOR: Senator Bennett  
 SUBJECT: Water & Wastewater Utilities/Fees  
 DATE: March 19, 2004      REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Caldwell</u>	<u>Caldwell</u>	<u>CU</u>	<u>Favorable</u>
2.	<u>Cooper / Perrin</u>	<u>Yeatman</u>	<u>CP</u>	<u>Favorable</u>
3.	_____	_____	<u>FT</u>	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

**I. Summary:**

This bill requires water and wastewater utilities with annual revenues above \$200,000 that are regulated by the Public Service Commission to pay regulatory assessment fees every six months rather than every 12 months.

This bill amends section 367.145 of the Florida Statutes.

**II. Present Situation:**

Subsection 367.145(1), F.S., requires water and wastewater utilities that are regulated by the Public Service Commission to pay regulatory assessment fees once a year in conjunction with the filing of its annual financial report. Annual reports are due by March 30 of the following year. Financial reports are used to determine the amount due in regulatory assessment fees. This practice results in fewer mistakes which would otherwise require a “true-up” of rates.

Section 350.113, F.S., authorizes the Florida Public Service Commission Regulatory Trust Fund in the State Treasury where all regulatory assessment fees are deposited. Subsection 350.113(3), F.S., requires each regulated company under the jurisdiction of the commission to pay regulatory assessment fees every six months.

**III. Effect of Proposed Changes:**

**Section 1** amends subsection 367.145(1), F.S., to make the payment schedule for regulatory assessment fees for large water and wastewater utilities consistent with the provisions of section 350.113, F.S., which are applicable to all other utilities regulated by the Public Service Commission. This requirement evens out the receipt of regulatory assessment fees paid by the water and wastewater industry and provides for more timely recovery of the costs of regulating

the industry. The commission states that the 60 large companies will pay approximately \$1.5 million in July and an additional \$1.5 million in January. The 120 or so small water and wastewater utilities, those with annual revenues of less than \$200,000, will continue to be required to pay the regulatory fees only once a year at the time they file their annual financial report. According to the commission, the larger Class A and B utilities should have little difficulty in estimating the semi-annual payments.

**Section 2** provides an effective date of July 1, 2004.

**IV. Constitutional Issues:**

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

**V. Economic Impact and Fiscal Note:**

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Large water and wastewater utilities (Class A and B) will have to adjust their cash flow to accommodate the semi-annual payment. Payments of approximately \$1.5 million are due by July 31 and January 30 of each year. The total amount of the payments, which is approximately \$3,000,000, will not change. Smaller Class C utilities generally remit a total of approximately \$500,000 annually.

C. Government Sector Impact:

The Public Service Commission will be better able to manage its cash flow and will provide for more timely recovery of the costs of regulating the industry.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Amendments:**

None.

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This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.

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