

**COMMONWEALTH OF KENTUCKY FISCAL NOTE STATEMENT
LEGISLATIVE RESEARCH COMMISSION
2024 REGULAR SESSION**

MEASURE

2024 BR NUMBER 1044

HOUSE BILL NUMBER 563 HCS1

TITLE AN ACT relating to public water and wastewater systems and making an appropriation therefor.

SPONSOR Representative Josh Bray

FISCAL SUMMARY

STATE FISCAL IMPACT: YES NO UNCERTAIN

OTHER FISCAL STATEMENT(S) THAT MAY APPLY: ACTUARIAL ANALYSIS
 LOCAL MANDATE CORRECTIONS IMPACT HEALTH BENEFIT MANDATE

APPROPRIATION UNIT(S) IMPACTED: Kentucky Infrastructure Authority; Public Service Commission

FUND(S) IMPACTED: GENERAL ROAD FEDERAL RESTRICTED _____

FISCAL ESTIMATES	2023-2024	2024-2025	2025-2026	ANNUAL IMPACT AT FULL IMPLEMENTATION
REVENUES				
EXPENDITURES	Indeterminable	Indeterminable	Indeterminable	Indeterminable
NET EFFECT	(Indeterminable)	(Indeterminable)	(Indeterminable)	(Indeterminable)

() indicates a decrease/negative

PURPOSE OF MEASURE: House Bill 563 HCS1 establishes a new revolving loan program called the Kentucky Water and Wastewater Assistance for Troubled or Economically Restrained Systems Program, or the “Kentucky WWATERS Program,” to be administered by the Kentucky Infrastructure Authority (KIA) under the direction of its board. The measure intends for KIA to receive and process applications from distressed drinking water and wastewater facilities seeking loans from the Kentucky WWATERS Program, both under normal conditions and during declared emergencies. The measure also creates two new funds, the Kentucky water and wastewater assistance for troubled or economically restrained systems fund and the emergency Kentucky water and wastewater assistance for troubled or economically restrained systems fund.

This measure also directs the Energy and Environment Cabinet and the Public Service Commission to determine whether or not to waive fines and penalties, collect fines and penalties, or grant a discretionary extension in the case of a forbearance period after the purchase of a distressed drinking water or wastewater facility.

FISCAL EXPLANATION: While the intention of House Bill 563 HCS1 is to provide state funding to distressed drinking water and wastewater facilities through the Kentucky WWATERS Program, until a dollar amount is appropriated by the General Assembly toward that purpose, the

fiscal impact to the state is indeterminable. The size of the loan program will determine the administrative costs for the program.

DATA SOURCE(S): LRC Budget Staff, Energy and Environment Cabinet

PREPARER: Emma Mills NOTE NUMBER: 176 REVIEW: JB DATE: 3/19/2024