

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 398

February 3, 2021

SUMMARY OF BILL: Increases, from \$100 to \$300, the maximum per diem payment that board member-commissioners of a water and wastewater treatment authority (WWTA) may receive per meeting.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- An increase in per meeting per diem payments for member-commissioners of \$200 (\$300 - \$100).
- The number of WWWTAs in Tennessee and the number of member commissioners who serve on the various boards of such WWWTAs are unknown.
- Such payments will be made from funds available to each WWTA in the state.
- Pursuant to Tenn. Code Ann. § 68-221-608(a), a WWTA may fix the rate which is charged to residents in the area they serve; provided, rates must be uniform for the same class of customers and be equitable to the proportionate share of treatment costs of such class of customers or service.
- WWWTAs are generally required to be self-funding.
- Should the increase in expenditures necessitate, a WWTA could enact increases in rates which are paid by the residents which it serves.
- Pursuant to Tenn. Code Ann. § 68-221-602(b), revenues of a water and wastewater authority are exempt from all state, county, and municipal taxation; therefore, any increase in payments made by the residents served by an authority will have no significant impact on state or local tax revenue.
- This legislation could result in governmental entities paying more for utilities if the relative WWTA decides to increase rates; however, the increase in funds that could potentially be required by this legislation is estimated to be minimal per each WWTA, and subsequently, have no significant impact on WWWTAs' rates throughout the state.
- No significant impact on state or local government.

CERTIFICATION:

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

A handwritten signature in black ink that reads "Bojan Savic". The signature is written in a cursive style with a large, prominent 'B' and 'S'.

Bojan Savic, Interim Executive Director

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