

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

**MEASURE**

2024 BR NUMBER 1044

HOUSE BILL NUMBER 563

**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: \_\_\_\_\_

FUND(S) IMPACTED:  GENERAL  ROAD  FEDERAL  RESTRICTED \_\_\_\_\_

FISCAL ESTIMATES	2023-2024	2024-2025	2025-2026	ANNUAL IMPACT AT FULL IMPLEMENTATION
<b>REVENUES</b>				
<b>EXPENDITURES</b>				
<b>NET EFFECT</b>				

( ) indicates a decrease/negative

**PURPOSE OF MEASURE:** House Bill 563 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) and the Kentucky Rural Water Association. The measure intends for the Kentucky Rural Water Association to receive and process applications from distressed drinking water and wastewater facilities seeking loans from the Kentucky WWATERS Program, then recommend projects for final approval from the General Assembly. KIA would administer the loans to the approved facilities.

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.

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.

**FISCAL EXPLANATION:** While the intention of House Bill 563 is to provide state funding to distressed drinking water and wastewater facilities through the Kentucky WWATERS Program, until an appropriation is created by the General Assembly toward that purpose, there is no fiscal impact to the state. Ultimately, the amount of that appropriation would determine the fiscal impact to KIA in personnel and operating costs. 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:** 68 **REVIEW:** JB **DATE:** 2/26/2024