FISCAL NOTE

HOUSE BILL NO. 1241   **PRINTERS NO.** 2013   **PRIME SPONSOR**: R. Brown

COST / (SAVINGS)

FUND	FY 2015/16	FY 2016/17
General Fund	**$0**	**$0**

SUMMARY: House Bill 1241, Printer's Number 2013, amends the definition of public utility to exempt water or sewer service provided by a resort, and exempts the provision of service by a municipal corporation outside its corporate boundaries under certain circumstances.

ANALYSIS: This bill amends Title 66 (Public Utilities) to revise the definition of "public utility" by inserting language to exempt water or sewer service provided by a resort owner to independently owned user premises by a person or corporation that owns and operates as a primary business a resort. Some of the service provisions for this exemption include where:

- service is provided from a point within the boundaries of the resort to no more than 100 independently owned premises for each type of service;
- service is incidental to the primary business of the resort as evidenced by gross revenue derived from provision of service must be less than 1% of total gross annual revenues;
- service rates to independently owned user premises do not exceed the average rates of comparable services provided by reasonably proximate municipalities;
- the services are the same as provided by the resort owner to itself or its affiliates; and
- disputes between independently owned user premises and the resort are resolved by the applicable court system.

In addition to the changes to "public utility," the bill also inserts language defining "resort" and "independently owned user premises. The bill shall take effect immediately upon enactment and be retroactive to January 1, 2009.

FISCAL IMPACT: Enactment of this legislation will have no impact on Commonwealth funds.

PREPARED BY: Jeffrey Clukey
                        House Appropriations Committee (R)

DATE: September 21, 2015

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.