



**Fiscal Note**  
**H.B. 242 2nd Sub. (Gray)**  
 2022 General Session  
 Secondary Water Metering Amendments  
 by Peterson, V. (Sandall, Scott.)



**General, Education, and Uniform School Funds**

JR4-4-101

	Ongoing	One-time	Total
Net GF/EF/USF (rev.-exp.)	\$ (545,000)	\$ 0	\$ (545,000)

**State Government**

UCA 36-12-13(2)(c)

Revenues	FY 2022	FY 2023	FY 2024
Total Revenues	\$ 0	\$ 0	\$ 0

Enactment of this legislation likely will not materially impact state revenue.

Expenditures	FY 2022	FY 2023	FY 2024
General Fund	\$ 0	\$ 545,000	\$ 545,000
Federal Funds - American Rescue Plan	\$ 50,000,000	\$ 200,000,000	\$ 0
Total Expenditures	\$ 50,000,000	\$ 200,545,000	\$ 545,000

Enactment of this legislation could cost the Division of Water Resources \$545,000 ongoing from the General Fund beginning in FY 2023 for to hire the required personnel to implement the secondary metering grant program as directed by the legislation. This legislation could also increase expenditures by \$250,000,000 one-time, starting in FY 2022, from Federal Funds of the American Rescue Plan Act (ARPA) by the Division of Water Resources to provide grants that reimburse systems up to 70% of the costs to install meters on existing secondary systems. The Division can absorb up to \$50 million of these grant expenditures from previously authorized funding.

	FY 2022	FY 2023	FY 2024
<b>Net All Funds</b>	<b>\$ (50,000,000)</b>	<b>\$ (200,545,000)</b>	<b>\$ (545,000)</b>

**Local Government**

UCA 36-12-13(2)(c)

To the extent that Local Governments operate secondary water systems and comply with the provisions of this legislation prior to the 2030 deadline, they could see increased costs of approximately \$1,750 per existing secondary connection. It's estimated that there are 221,000 unmetered connections statewide, for a total cost of \$386.8 million by 2030. Dependent on eligibility and available funding, up to 70 percent of these costs can be reimbursed through grants from the Water Resources Board. This substitute could exempt an estimated 6,900 connections in counties of the fifth and sixth classes from installing a secondary water meter.

## **Individuals & Businesses**

UCA 36-12-13(2)(c)

To the extent that secondary water suppliers pass along installation costs to individual and business customers, enactment of this legislation could result in increased costs of \$1,750 per customer, with an estimated total cost of \$386.8 million. These expenses can be reduced by up to 70 percent, subject to suppliers applying for and receiving grant funding from the Water Resources Board. This substitute could exempt an estimated 6,900 connections in counties of the fifth and sixth classes from installing a secondary water meter.

## **Regulatory Impact**

UCA 36-12-13(2)(d)

Enactment of this legislation likely will not change the regulatory burden for Utah residents or businesses.

## **Performance Evaluation**

JR1-4-601

This bill creates a new program or significantly expands an existing program. For a list of questions lawmakers might ask to improve accountability for the proposed program, please see: <https://budget.utah.gov/newprogram>

## **Notes on Notes**

Fiscal notes estimate the direct costs or revenues of enacting a bill. The Legislature uses them to balance the budget. They do not measure a bill's benefits or non-fiscal impacts like opportunity costs, wait times, or inconvenience. A fiscal note is not an appropriation. The Legislature decides appropriations separately.