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OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
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Office

H.B. 226
135th General Assembly

Final Fiscal Note & Local Impact Statement

[Click here for H.B. 226's Bill Analysis](#)

Primary Sponsors: Reps. Robb Blasdel and Jarrells

Local Impact Statement Procedure Required: No

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Highlights

- The bill may increase the Public Utilities Commission's administrative costs associated with its duties to regulate water-works utilities. Any increase in such costs is likely minimal and would be paid from the Public Utilities Fund (Fund 5F60).
- The bill has no direct fiscal effect on local governments.

Detailed Analysis

The bill allows a water-works company that is a public utility regulated by the Public Utilities Commission of Ohio (PUCO) to replace lead customer-owned water service lines or customer-owned water service lines of other compositions, in the course of a scheduled utility main replacement project, an emergency replacement, or company-initiated lead water service line replacement program, or when mandated or ordered to replace such lines by law or a state or federal regulatory agency. The bill also allows a water-works company to reimburse a customer who replaces the customer's customer-owned water service line, if the company confirms that: (1) the customer-owned water service line was composed of lead or other composition that was mandated or ordered to be replaced by law or a state or federal regulatory agency, and (2) the customer submits the reimbursement request to the company no later than 12 months after the completion of the water line replacement.

The bill specifies that a water-works company must include the cost of water service line replacement and the cost to evaluate customer-owned water service lines of unknown composition, and any reimbursement amounts in the property valuation report of the company for inclusion in the company's rate case before PUCO. The bill specifies that the water service customer, who is responsible for the customer-owned water service line that was replaced under the bill, holds legal title to the replaced water service line.

Fiscal effect

The provisions allowing water-works companies to include costs of replacing and reimbursing lead water service lines in the company's rate case before PUCO may potentially increase water rates of the company's customers, including governmental customers such as counties, municipalities, townships, and school districts. However, any such rate increase is undetermined. According to [PUCO's website](#), there are nine water-works companies that are currently under its purview. The bill may increase PUCO's administrative costs associated with its duties in regulating water-works companies. Any increase in such costs is likely minimal and would be paid from the Public Utilities Fund (Fund 5F60).

Government-owned water-works utilities are not regulated by PUCO. Thus, the bill has no direct fiscal effect on local governments or customers of government-owned water-works utilities.