



2023-2024 General Assembly

HOUSE BILL 600: Regulatory Reform Act of 2023, Sec. 24: Increase Minimum Bond Required Before a Franchise can be Granted to a Water or Sewer Utility Company

Committee:
Introduced by:
Analysis of: Sec. 24 of S.L. 2023-137

Date: December 11, 2023
Prepared by: Kyle Evans
Staff Attorney

OVERVIEW: Section 24 of S.L. 2023-137 increases the minimum bond required to receive a water or sewer franchise from \$10,000 to \$25,000 and provides that the bond would be forfeited if the Utilities Commission (Commission) appoints an emergency operator pursuant to the existing statutory procedure for the issuance of temporary or emergency authority by the Commission.

This bill was vetoed by the Governor on October 2, 2023, and that veto was overridden by the General Assembly on October 10, 2023. This section became effective on October 10, 2023.

PRIOR LAW & BILL ANALYSIS:

Before a franchise can be granted to any water or sewer utility company, the applicant for the franchise used to be required to furnish a bond in an amount not less than \$10,000. If an emergency operator is appointed by the Commission, with the consent of the owner or operator of the utility company, the bond is forfeited.

Section 24 increases the minimum bond required from \$10,000 to \$25,000 and provides that the bond would be forfeited if the Commission appoints an emergency operator pursuant to the existing statutory procedure for the issuance of temporary or emergency authority by the Utilities Commission.

EFFECTIVE DATE: This bill was vetoed by the Governor on October 2, 2023, and that veto was overridden by the General Assembly on October 10, 2023. This section became effective on October 10, 2023.

Jeffrey Hudson
Director



Legislative Analysis
Division
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