

STATE OF MAINE

IN THE YEAR OF OUR LORD  
TWO THOUSAND TWENTY

H.P. 1442 - L.D. 2032

**An Act To Reduce Financial Burdens on Small Water Utilities**

**Emergency preamble.** Whereas, acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

**Whereas,** current law requires a small water utility with gross annual revenues of no more than \$50,000 to have an audit performed by an independent certified public accountant for any year the utility seeks a rate adjustment; and

**Whereas,** this requirement imposes a disproportionate financial burden on these small water utilities that prevents them from seeking an adjustment in rates, which could lead to inadequate revenue for the utility and adversely affect its ability to provide services to its customers; and

**Whereas,** in order to avoid these adverse consequences, some ability to relieve small water utilities of this burden quickly when appropriate is necessary; and

**Whereas,** in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

**Be it enacted by the People of the State of Maine as follows:**

**Sec. 1. 35-A MRSA §505, sub-§1, ¶A,** as enacted by PL 2011, c. 77, §1, is amended to read:

A. A qualified small water utility with gross annual revenues of \$50,000 or less shall for any year used as a test year for rate-making purposes cause to be conducted, in accordance with generally accepted auditing standards, an audit of its accounts by an independent certified public accountant licensed to practice in the State. The commission, for good cause shown by the qualified small water utility, may waive the requirements of this paragraph.

**Emergency clause.** In view of the emergency cited in the preamble, this legislation takes effect when approved.