

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

LR No.: 3504-01
Bill No.: HB 1361
Subject: Joint Municipal Utility Commissions: Bonds
Type: Original
Date: March 25, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Local Government	Unknown	Unknown	Unknown

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Department of Economic Development - Public Service Commission**, and **Office of Public Counsel** assume no fiscal impact.

Officials of the **Office of Kansas City Manager** stated this proposal would allow members of a Joint Municipal Utility Commission to approve the issuance of revenue bonds without a vote of the people. Officials assume if a city were a member of such a commission and the commission used the procedures contained in this proposal, the city would *save the cost of an election*. The city would have some publication costs for a hearing that is required to be held by the city council. Officials stated that when an election is held when no other jurisdictions have an election, the costs run around \$300,000. *Publication costs would run about \$1,000.*

Officials of the **City of Springfield** assume no fiscal impact.

Officials of the **Little Blue Valley Sewer District** assume no fiscal impact.

ASSUMPTION (continued)

Oversight assumes that only political subdivisions that are members of a Joint Municipal Utility Commission would realize savings from not having the costs of an election for the issuance of revenue bonds. Locals would have some publication costs incurred when providing notice of a public hearing on the question of bond issuance. **Oversight** assumes that the savings realized from not having an election would far exceed the cost of publication of a public hearing. **Oversight** will show a positive savings from election costs to certain local governments.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
	\$0	\$0	\$0
<u>FISCAL IMPACT - Local Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007

**CERTAIN LOCAL GOVERNMENTS
(CITIES)**

<u>Savings</u> to Certain Cities from election costs	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
<u>Cost</u> to Certain Cities from publication of hearing notice	(Unknown)	(Unknown)	(Unknown)
ESTIMATED NET EFFECT TO CERTAIN LOCAL GOVERNMENTS	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
*			

* **Oversight does not know how many cities are members of a Joint Municipal Utility Commission, however, those cities could realize election costs savings provided by this proposal. The amount of savings would depend on the size of the voting jurisdiction, and if the election were held at a regularly scheduled election. Oversight assumes election cost savings would exceed publication costs, and will show fiscal impact as a positive unknown.**

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This bill allows the governing body of each contracting municipality in a joint municipal utility commission to vote on whether or not the commission should issue bonds to finance various activities related to the production, distribution, and utilization of water. Current law requires that the issuance of bonds for these purposes be put to a vote of the people, not just the governing body.

The bill requires the approval of three-fourths of all governing bodies of the contracting municipalities before the bonds can be issued.

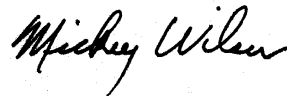
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Economic Development - Public Service Commission
Department of Economic Development - Office of Public Counsel
Office of Kansas City Manager
City of Springfield - City Manager
Little Blue Valley Sewer District

NOT RESPONDING

St. Louis Metropolitan Sewer District
St. Louis County Executive
Jackson County Executive
All Cities on Oversight's response list.



Mickey Wilson, CPA
Director
March 25, 2004