

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3974-01
Bill No.: HB 1171
Subject: Boards, Commissions, Committees, Councils; Utilities
Type: Original
Date: February 16, 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 STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</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	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Economic Development - Public Service Commission** assume no fiscal impact.

In response to identical legislation, the **Little Blue Valley Sewer District, Jasper County Commissioner** and the **City of Springfield** assume the proposal will have no impact on their organizations.

Officials of the **Cities of Independence** and **Fulton** assume this proposal would have a positive fiscal impact for cities that would participate in any of the projects that would be constructed.

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

FISCAL IMPACT - Small Business

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

DESCRIPTION

In 2002, voters approved a constitutional amendment allowing joint municipal utility commissions to develop utility projects with municipalities, electric cooperatives, or public utilities without additional regulation by the Public Service Commission. This bill updates the Missouri Revised Statutes to reflect these changes.

This proposal modifies sections of Chapter 393, RSMo, the breakdown of the proposal is as follows:

SECTION 393.705 - Provides a definition for "participating municipality", modifies the definition of "project" to include the improvement of any utility facility or property including, without limitation, transmission and distribution systems, and all other types of utilities and revenue-producing facilities as deemed appropriate by the governing bodies of the contracting or participating municipalities. The reference to project facilities being "used and useful" has been eliminated.

SECTION 393.710 - Applies the term "project" as it has been defined in Section 393.705; other technical changes are made.

SECTION 393.715 - The general powers of a commission are modified here, to be exercised for the benefit of its contracting members.

SECTION 393.720 - Added language that emphasizes the restricted purposes of joint municipal commissions to serve their public entity members.

SECTION 393.725 - Technical changes primarily to accommodate the possibility that a single joint commission may be involved in financing separate projects serving different sets of municipal utilities, which would need segregated financial treatment.

SECTION 393.730 - Added language that reiterates the requirement of sufficiency of project revenues to secure repayment of joint commission bonds.

SECTION 393.740 - Authorized participating entities to apportion any tax obligations among themselves.

DESCRIPTION (continued)

SECTION 393.745 - Incorporates reference to potential delegation of board authority to its executive committee.

SECTION 393.760 - Permits a joint commission and remaining municipalities involved in a joint project to proceed with the project without the involvement of any proposed participating

municipality in which the majority of voters fail to approve the issuance of municipal bonds. Changes to ballot language are included here.

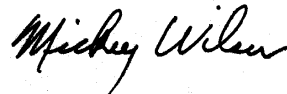
SECTION 393.770 - Clarifies that revenue the joint commission derives from any and all services of its interest in a project may be available for bond repayment, and that joint commission sales of energy or other commodities to a municipal utility do not constitute a debt or obligation of the municipality payable from any other source other than its utility operations.

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
Little Blue Valley Sewer District
Jasper County Commissioner
City of Springfield
City of Independence
City of Fulton

NOT RESPONDING: St. Louis Metropolitan Sewer District, Callaway County Water District, Cole County Water District and certain Cities and Counties on distribution list.



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Director
February 16, 2004