

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3774-03
Bill No.: HCS for HB 1149
Subject: Bonds - General Obligation and Revenue; Environmental Protection
Type: Original
Date: March 15, 2006

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|---|------------|------------|------------|
| FUND AFFECTED | FY 2006 | FY 2007 | FY 2008 |
| | | | |
| | | | |
| Total Estimated Net Effect on General Revenue Fund | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | | | |
|---|------------|------------|------------|
| FUND AFFECTED | FY 2006 | FY 2007 | FY 2008 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>Other</u> State Funds | \$0 | \$0 | \$0 |

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

| ESTIMATED NET EFFECT ON FEDERAL FUNDS | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2006 | FY 2007 | FY 2008 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON LOCAL FUNDS | | | |
|--|----------------|----------------|----------------|
| FUND AFFECTED | FY 2006 | FY 2007 | FY 2008 |
| Local Government | \$0 | \$0 | \$0 |

FISCAL ANALYSIS

ASSUMPTIONS

A. Sewer Construction and Maintenance

Officials from the **Office of the State Treasurer**, the **Office of Administration, Division of Accounting** and **Division of Budget and Planning**, the **Department of Economic Development**, **Office of Public Counsel** and **Public Service Commission** and the **City of Centralia** assume this proposal would have no fiscal impact on their organizations.

B. Water Pollution Control Bonds

Officials from the **Office of Administration, Division of Accounting** assume there would be no fiscal impact relating to this legislative authorization increase, but there would be a fiscal impact if any of the currently outstanding authorization is actually issued. There would need to be debt service funding of approximately \$700,000 for principal and interest for every \$10 million dollars issued and one time costs of approximately \$178,842 for each issuance.

ASSUMPTION (continued)

Officials from the **Office of the State Treasurer**, the **Office of Administration, Division of Accounting** and **Division of Budget and Planning**, the **Department of Economic Development**, **Office of Public Counsel** and **Public Service Commission** and the **City of Centralia** assume this proposal would have no fiscal impact on their organizations.

Officials from the **Office of the Attorney General** and the **Office of the State Auditor** assumed that a previous version of this proposal would have no fiscal impact on their organizations.

In response to a previous version of this proposal, officials of the **Department of Natural Resources (DNR)** assumed that bonds are sold on an as needed basis. Bond sales lag authorization by approximately 3 years.

37(e) money is approved for \$10 million to be spent as follows:
\$7 Million for the 40% State Construction Grant Program
\$3 Million for the Rural Water and Sewer grants

37(g) money is approved for \$10 Million to be spent as follows:
\$5 Million for Rural Water grants and loans
\$5 Million for Rural Sewer grants and loans

37(h) money is approved for \$20 Million to be spent as follows:
\$10 Million for storm water grants
\$10 Million for storm water loans

| <u>FISCAL IMPACT - State Government</u> | FY 2006 (10 Mo.) | FY 2007 | FY 2008 |
|---|-------------------------|-------------|-------------|
| | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| <u>FISCAL IMPACT - Local Government</u> | FY 2006 (10 Mo.) | FY 2007 | FY 2008 |
| | <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

A. Sewer Construction

The proposal would authorize public utility districts and municipalities to lay, install, construct, repair, and maintain sewer and water lines in public highways, roads, streets, and alleys, subject to the reasonable rules and regulations of governmental bodies having jurisdiction over such public places. The utility districts and municipalities would be required to preserve the rights of the public in its use of thoroughfares and the equal rights of other utilities thereto.

Construction within the right-of-way of any state highway by municipalities and public utility districts would be subject to the control and supervision of the state highways and transportation commission.

B. Water Pollution Control Bonds

This proposal would authorize the Board of Fund Commissioners to issue additional bonds for grants and loans pursuant to several sections of Article III of the Missouri Constitution. The authorizations are for:

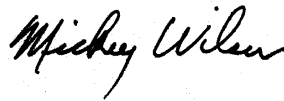
- (1) \$10 million of bonds for waste water pollution control, drinking water system improvements, and storm water control pursuant to Section 37(e);
- (2) \$10 million of bonds for rural water and sewer projects pursuant to Section 37(g); and
- (3) \$20 million of bonds for storm water control plans, studies, and projects in first classification counties and the City of St. Louis pursuant to Section 37(h).

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

Office of the State Auditor
Office of the Attorney General
Office of the State Treasurer
Office of Administration
 Division of Accounting
 Division of Budget and Planning
Department of Economic Development
 Office of Public Counsel
 Public Service Commission
Department of Natural Resources
City of Centralia

Mickey Wilson, CPA

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Director
March 15, 2006