

SCS SB 1040 -- STORM WATER CONTROL GRANTS AND LOANS

SPONSOR: Clemens (Hobbs)

COMMITTEE ACTION: Voted "do pass" by the Committee on Conservation and Natural Resources by a vote of 7 to 0.

This substitute changes the laws regarding the issuance of grants and loans to the City of St. Louis and any first classification county by the Department of Natural Resources for storm water control. In its main provisions, the substitute:

- (1) Requires sewer and water districts to be public water or sewer districts in order to receive grants and loans from the department for storm water control projects;
- (2) Allows the department to issue either a grant or a loan and removes the mandatory ratio of 50% for grants and 50% for loans for storm water control projects;
- (3) Allows the department to make an initial offer of grants and loans and later distribute any remaining funds resulting from the decline of initial offers to water and sewer districts requesting additional funding; and
- (4) Creates the Storm Water Loan Revolving Fund which will consist of repayments of storm water loans and interest to be used to finance storm water control plans, studies, and projects. Unexpended balances are not subject to biennial transfer to the General Revenue Fund, and the storm water fund retains its interest.

The substitute becomes effective only upon voter approval of a constitutional amendment submitted by the 94th General Assembly modifying Article III, Section 37(h) of the Missouri Constitution.

FISCAL NOTE: No impact on state funds in FY 2009, FY 2010, and FY 2011.

PROPONENTS: Supporters say that the bill corrects current laws that do not take into consideration an Internal Revenue Service regulation that hinders grants and loans available to storm water control districts. The bill will assist those districts in collecting tax-free grants and loans.

Testifying for the bill were Senator Clemens; Department of Natural Resources; Metropolitan St. Louis Sewer District; Missouri Municipal League; and Missouri Society of Professional Engineers.

OPPONENTS: There was no opposition voiced to the committee.