

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4381-03
Bill No.: SCS for SB 1002
Subject: Drainage and Levee Districts: Water Resources, Bonds, Fees
Type: Original
Date: March 10, 2006

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
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 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Sections 644.584 and 644.585 - Extension of Bond Authorization:

Officials of the **Office of State Treasurer** assume no fiscal impact to their office.

Officials of the **Department of Natural Resources** assume no direct fiscal impact from this proposal.

Officials assume 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

ASSUMPTION (continued)

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

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.

Section 242.492 - Processing Fee for Drainage Districts:

Oversight assumes the provisions of Section 242.492 is permissive, and allows the Board of Supervisors to set an annual processing fee for assessed tracts when the board determines that the costs of preparation and processing of the district's maintenance tax statement exceeds the amount of tax imposed. **Oversight** assumes this proposal does not require the establishment of a processing fee, therefore, **Oversight** assumes no fiscal impact to drainage districts.

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
	<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

This act allows a fee to be annually imposed in addition to the maintenance tax if the board of supervisors of a drainage district determines that the costs of preparing and processing the district's maintenance tax statement exceed the amount of the tax imposed. The amount of the

fee

DESCRIPTION (continued)

would be determined by the Board of Supervisors at the Board of Supervisors' meeting in which they set the maintenance tax pursuant to Section 242.490, RSMo.

This substitute extends through August 28, 2007 authorization for the Board of Fund Commissioners to borrow on the credit of the state.

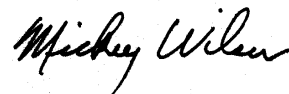
This proposal would authorize the Board of Fund Commissioners to issue additional bonds for grants and loans pursuant to several sections of Article III of the Missouri Constitution. The authorizations are for:

- (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 Treasurer
Office of Administration - Accounting Division
Department of Natural Resources



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Director
March 10, 2006