

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0256-04
Bill No.: Perfected SS for SCS for SB 21
Subject: Sewers and Sewer Districts
Type: Original
Date: April 11, 2007

Bill Summary: Allows for the formation of and conversion to reorganized common sewer districts. Non-profit sewer companies would be allowed to provide same services as provided by non-profit water companies but with certain restrictions. Authorizes the Board of Fund Commissioners to issue up to \$40 million in bonds for stormwater, water pollution control, and clean drinking water projects.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Board of Fund Commissioners	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on FTE	0	0	0

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

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

Officials of the **Department of Natural Resources** assume no fiscal impact.

Officials of the **Office of State Courts Administrator** assume no fiscal impact on the Courts.

Officials of **St. Louis County - Manager of Water Sewer Service Programs** assume no fiscal impact to St. Louis County

Officials of the **Kansas City Water Services Department** assume no fiscal impact.

Officials of the **Timber Creek Sewer Company**, a regulated sewer corporation, assume no fiscal impact.

Officials of the **City of West Plains** assume no fiscal impact to their city.

Oversight assumes this proposal is enabling legislation and would have no fiscal impact without action by the public presenting the County Commission a petition seeking their approval for the formation of a sewer district, and by the Circuit Court granting incorporation. Oversight assumes no fiscal impact.

Oversight sent response request to numerous cities and counties many have not responded.

In response to identical legislation, fiscal note 1791-03 SS for SB 391, the following fiscal impact statements were issued:

Sections 644.597, 644.598, and 644.599 STORM WATER CONTROL (Senate Amend. # 1):

Officials from the **Office of Administration - Division of Accounting** assume, although there would be no fiscal impact relating to this authorization increase, there would be a fiscal impact if any of the currently outstanding authorization is actually issued. There would need to be approximately \$700,000 for principal and interest for every \$10 million dollars issued and one time costs of approximately \$192,509 for each issuance.

ASSUMPTION (continued)

Officials from the **Department of Natural Resources** assume the proposal would authorize the Board of Fund Commissioners to sell \$40 million in bonds for stormwater control plans, studies and projects under Article III, Sections 37(h), (g), and (e).

Bonds are sold on as-needed basis.

37(e) money is approved for \$10 million to be spend as follows:
\$7 Million for the 40% State Construction Grant Programs
\$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

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

Oversight is unable to determine when bonds would be sold and has ranged the sale from \$0 to \$40 million. Oversight has ranged the annual income and annual repayment of bonds sold from \$0 to \$3,570,033.

FISCAL IMPACT - State Government FY 2008 FY 2009 FY 2010

**BOARD OF FUND
 COMMISSIONERS (Senate Amend. 1)**

Income - Board of Fund Commissioners

Sale of Bonds	\$0 to \$40,000,000	\$0 to \$40,000,000	\$0 to \$40,000,000
---------------	------------------------	------------------------	------------------------

<u>Income</u> - Fees for Storm Water Control	\$0 to \$3,570,033	\$0 to \$3,570,033	\$0 to \$3,570,033
--	-----------------------	-----------------------	-----------------------

<u>Cost</u> - Local Revenue Backed by Storm Water Control Fees	\$0 to (\$40,000,000)	\$0 to (\$40,000,000)	\$0 to (\$40,000,000)
---	--------------------------	--------------------------	--------------------------

<u>Cost</u> - Payment of Bonds	<u>\$0 to</u> <u>(\$3,570,033)</u>	<u>\$0 to</u> <u>(\$3,570,033)</u>	<u>\$0 to</u> <u>(\$3,570,033)</u>
--------------------------------	---------------------------------------	---------------------------------------	---------------------------------------

**ESTIMATED NET EFFECT ON
 BOARD OF FUND
 COMMISSIONERS (Senate
 Amendment 1)**

	\$0	\$0	\$0
--	------------	------------	------------

FISCAL IMPACT - Local Government FY 2008 FY 2009 FY 2010

	<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

Sections 644.597, 644.598, and 644.599 (Senate Amendment 1) authorizes the Board of Fund Commissioners to issue additional bonds for the purposes of stormwater, water pollution control, and clean drinking water and other projects in Section 640 RSMo.. A total of \$40 million was authorized.

SOURCES OF INFORMATION

Office of Administration - Accounting
Department of Economic Development - Public Service Commission
Department of Natural Resources
Office of State Courts Administrator
St. Louis County - Manager of Water Sewer Service Programs
Kansas City Water Services Department
Timber Creek Sewer Company Inc.
City of West Plains

NOT RESPONDING

City of :

Cape Girardeau
Columbia
Gladstone
Independence
Jefferson City
Lees Summit
Maryland Heights
Poplar Bluffs
Raytown
Rolla
Springfield
St. Charles
St. Peters
St. Louis
Warrenton

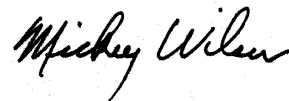
Counties of :

Boone
Cape Girardeau
Cass
Clay
Cole

L.R. No. 0256-04
Bill No. Perfected SS for SCS for SB 21
Page 7 of 7
April 11, 2007

NOT RESPONDING (continued - Counties)

Greene
Jackson
Lafayette
New Madrid
Jefferson
Perry
Scotland



Mickey Wilson, CPA
Director
April 11, 2007