

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1791-03  
Bill No.: SCS for SB 391  
Subject: Bonds - General Obligation and Revenue; Natural Resources Dept.  
Type: Original  
Date: March 12, 2007

Bill Summary: Authorizes the issuance of an additional \$40 million in bonds for certain water related grants and loans.

**FISCAL SUMMARY**

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

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

**\*Net Revenues and Expenditures of Bond issuance of \$0 to \$40,000,000.**

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 5 pages.

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

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

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).

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

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## **FISCAL ANALYSIS**

### ASSUMPTION

Officials from the **Missouri Senate, State Treasurer's Office and Missouri House of Representatives** assume no fiscal impact to their agencies.

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.

Officials from the **Department of Natural Resources** assume the proposal would authorize the sale of \$40 million in Water Pollution and Stormwater Control Bonds to be used as noted:

\*Provide funding to continue the state's 40% State Construction Grants Program for those economically disadvantaged communities that do not qualify for the SRF loan program.

\*Provide funding to continue the rural water and sewer grant program and the storm water grant program.

\*Initiate loan programs under the rural water and sewer grant and storm water grant programs.

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

ASSUMPTION (continued)

**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 \$2,992,509.

<u>FISCAL IMPACT - State Government</u>	FY 2008	FY 2009	FY 2010
	(10 Mo.)		

**BOARD OF FUND COMMISSIONERS**

Income - Board of Fund Commissioners

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

<u>Income</u> - Fees for Storm Water Control	\$0 to	\$0 to	\$0 to
	\$2,992,509	\$2,992,509	\$2,992,509

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

<u>Cost</u> - Payment of Bonds	\$0 to	\$0 to	\$0 to
	(\$2,992,509)	(\$2,992,509)	(\$2,992,509)

**ESTIMATED NET EFFECT ON BOARD OF FUND COMMISSIONERS**

	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2008	FY 2009	FY 2010
	(10 Mo.)		

	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

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

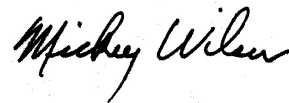
### FISCAL DESCRIPTION

The proposed legislation authorizes the issuance of an additional \$40 million in bonds for grants and loans for storm water control in certain areas.

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 Administration  
Department of Natural Resources  
Missouri Senate  
Missouri House of Representatives  
State Treasurer's Office



Mickey Wilson, CPA  
Director  
March 12, 2007