

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5270-01  
Bill No.: SB 1175  
Subject: Housing; Bonds - General Obligation and Revenue  
Type: Original  
Date: March 5, 2008

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Bill Summary: This proposal exempts certain types of conduit revenue bonds or notes held by the Missouri Housing Development Commission from statutory indebtedness limitation.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
<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 2009	FY 2010	FY 2011
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 4 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</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 2009</b>	<b>FY 2010</b>	<b>FY 2011</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 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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**FISCAL ANALYSIS**

**ASSUMPTION**

Officials from the **Office of Administration - Division of Accounting and Administrative Hearing Commission** each assume the proposal would not fiscally impact their respective agencies.

Officials from the **Department of Economic Development - Missouri Housing Development Commission (MHDC)** assume the bill would have no fiscal impact on their agency.

In response to a similar proposal from this year (HB 1904), the MHDC stated the bill would exempt conduit bonds from MHDC's statutory cap on unrated bonds found in Section 215.160, RSMo. The conduit bonds are those issued by MHDC on behalf of local communities for projects that have received an allocation of tax-exempt bonds from DED for housing projects. However, MHDC is not a lender on the projects and carries no risk. As with all bonds issued by MHDC, they are not debts of the state. All the responsibility for paying back the bonds lies with the project itself. MHDC does charge a small administrative fee (0.0025%). These fees would be paid to MHDC's own funds, which lay outside the state treasury, and therefore are not reported in fiscal notes. Because there is no risk to MHDC or the state and there would be no impact to state treasury as a result of this bill, there is no fiscal impact to report.

<u>FISCAL IMPACT - State Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
	<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.

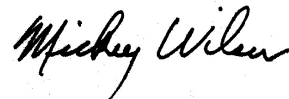
FISCAL DESCRIPTION

The proposed legislation appears to have no fiscal impact.

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

Department of Economic Development  
Office of Administration



Mickey Wilson, CPA  
Director  
March 5, 2008