

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1908-02
Bill No.: SB 398
Subject: Cities, Towns and Villages; Economic Development Department; Natural Resources Department; Sewers and Sewer Districts; Water Resources and Water Districts
Type: Original
Date: March 18, 2015

Bill Summary: This proposal authorizes municipalities to use design-build on water and waste water projects and prohibits such projects from being denied grants based on design-build utilization.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Local Government	Unknown	Unknown	Unknown

FISCAL ANALYSIS

ASSUMPTION

Officials at the **City of Kansas City** assume from this proposal there will most likely be significant savings to the City, although the amount of savings cannot be determined at this time. By allowing municipalities to use the design-build procurement method for Water Department facilities, the City will be afforded the opportunity to consider the most efficient method for building a project. As a result, the City will most likely see increased funds in its capital account which may allow the flexibility to consider more innovative approaches in facility design and operation.

Officials at the **Department of Natural Resources**, the **Office of Administration's Facilities Management, Design and Construction** and the **Department of Economic Development's Public Service Commission** and **Office of Public Counsel** each assume no fiscal impact to their respective agencies from this proposal.

Officials at the following cities: Ashland, Belton, Bernie, Bonne Terre, Boonville, California, Cape Girardeau, Clayton, Columbia, Dardenne Prairie, Excelsior Springs, Florissant, Frontenac, Fulton, Gladstone, Grandview, Harrisonville, Independence, Jefferson City, Joplin, Kearney, Knob Noster, Ladue, Lake Ozark, Lee Summit, Liberty, Louisiana, Maryland Heights, Maryville, Mexico, Monett, Neosho, O'Fallon, Pacific, Peculiar, Pineville, Popular Bluff, Raytown, Republic, Richmond, Rolla, Sedalia, Springfield, St. Charles, St. Louis, St. Robert, Sugar Creek, Sullivan, Warrensburg, Warrenton, Webb City, Weldon Spring and West Plains did not respond to **Oversight's** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
LOCAL POLITICAL SUBDIVISIONS			
<u>Savings</u> - Local Political Subdivisions - use of design-build procurement method	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>

FISCAL IMPACT - Small Business

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

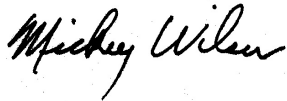
FISCAL DESCRIPTION

This act authorizes any city to use design-build contracts for waste water and water treatment projects. When disbursing grants under the Community Development Block Grant program, the Department of Economic Development is prohibited from rejecting waste water or water treatment projects solely on their utilization of design-build. The Department of Natural Resources is prohibited from denying funds from the Water and Wastewater Loan Fund to projects based on their use of design-build contracts.

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 Natural Resources
Office of Administration
 Facilities Management, Design and Construction
Department of Economic Development
 Public Service Commission
 Office of Public Counsel
City of Kansas City



Mickey Wilson, CPA
Director
March 18, 2015

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March 18, 2015