

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5192-06
Bill No.: Truly Agreed To and Finally Passed SS #2 for HCS for HB 1717
Subject: Water Resources and Water Districts; Natural Resources, Department of; Health and Senior Services, Department of
Type: Original
Date: June 3, 2016

Bill Summary: This proposal modifies provisions relating to water systems.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
General Revenue	(\$221,060)	\$0 or Up to (\$220,270)	\$0 or Up to (\$222,249)
Total Estimated Net Effect on General Revenue	(\$221,060)	\$0 or Up to (\$220,270)	\$0 or Up to (\$222,249)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Multipurpose Water Resource Program*	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

*Incomes and Costs to Fund expected to net to zero.
 Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Multipurpose Water Resource Program Fund	3 FTE	3 FTE	3 FTE
Total Estimated Net Effect on FTE	3 FTE	3 FTE	3 FTE

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 2017	FY 2018	FY 2019
Local Government	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

FISCAL ANALYSIS

ASSUMPTION

Sections 256.437, 256.438, 256.440, and 256.443

Officials at the **Department of Natural Resources (DNR)** assume this proposal would have a negative fiscal impact on their organization as follows:

The department would request one (1) Engineer III, one (1) Planner II, and one (1) Accounting Specialist III to support project review, planning, administration and oversight of the Multipurpose Water Resource Program Fund. This is based on department knowledge of financial assistance administration and operation of grant programs for planning and infrastructure development. At a minimum, this program requires engineering review, accounting oversight, and planning expertise.

For purposes of this fiscal note, the department has assumed the funding source of this proposal would be General Revenue to the Multipurpose Fund. The Multipurpose Fund has never had money appropriated to it and has a balance of \$0. Once the program is up and running, it would most likely take a number of years before any revenues would cover the costs of activities to implement this proposal.

Oversight will show a fiscal impact for the new positions with costs related to equipment and expenses for these positions beginning with FY17. And Oversight will assume there will not be any contribution fees generated in FY17.

Oversight will show a \$0 or costs Up to \$220,270 for FY18 and a \$0 or costs Up to \$222,249 for FY19 to General Revenue. This reflects the impact of contribution fees generated for participation in the program which would reduce the amount needed to be transferred from General Revenue to the Multipurpose Water Resource Program Fund for personnel costs.

Oversight will show a positive \$0 or Up to \$220,270 for FY18 and a positive \$0 or Up to \$222,249 for FY19 to the Multipurpose Water Resource Program Fund as a transfer from General Revenue. Also, Oversight will show a positive \$0 or Up to \$220,270 for FY18 and a positive \$0 or Up to \$222,249 for FY19 to the Multipurpose Water Resource Program Fund as revenue generated from contribution fees for participation in the program.

Sections 640.136 and 644.200

DNR would not anticipate a direct fiscal impact from these provisions of the proposal.

ASSUMPTION (continued)

§640.136 - Modifications to Fluoridation

Oversight will show a \$0 (dependent upon decisions/actions of local water suppliers) or an unknown negative fiscal impact to local government based on potential costs to notify customers of fluoridation of the water on an election ballot.

Oversight assumes the additional postage and mailing costs related to this proposal are dependent upon a public water system or public water supply district making a decision to make modifications to fluoridation of its water supply. In the event a modification to fluoridation occurs, a notice must be sent ninety days prior to any vote on the matter to all customers, DNR, and DHSS.

Officials at the **Office of Administration - Administrative Hearing Commission**, the **Department of Economic Development**, the **Department of Revenue**, and the **Department of Health and Senior Services** each assume this proposal will not have a fiscal impact on their respective organizations.

Officials at the **City of Kansas City** assume this proposal will not have a fiscal impact on their organization.

Officials at the **Metropolitan St. Louis Sewer District** assume this proposal will not have a fiscal impact to their organization.

Officials at **St. Louis County** each assume this proposal will not have a fiscal impact on their respective organizations.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
GENERAL REVENUE			
<u>Transfer Out - to Multipurpose Water Resource Program Fund - DNR - §256.437, §256.438, §256.440, and §256.443</u>	<u>(\$221,060)</u>	\$0 or Up to <u>(\$220,270)</u>	\$0 or Up to <u>(\$222,249)</u>
NET EFFECT ON GENERAL REVENUE	<u>(\$221,060)</u>	<u>\$0 or Up to (\$220,270)</u>	<u>\$0 or Up to (\$222,249)</u>
MULTIPURPOSE WATER RESOURCE PROGRAM FUND			
<u>Revenue - Contribution Fees - §256.437, §256.438, §256.440, and §256.443</u>	\$0	\$0 or Up to \$220,270	\$0 or Up to \$222,249
<u>Transfer In - from General Revenue - §256.437, §256.438, §256.440, and §256.443</u>	\$221,060	\$0 or Up to \$220,270	\$0 or Up to \$222,249
<u>Costs - §256.437, §256.438, §256.440, and §256.443</u>			
Personnel	(\$119,740)	(\$145,125)	(\$146,576)
Fringe Benefits	(\$57,943)	(\$69,924)	(\$70,321)
Equipment and Expenses	<u>(\$43,377)</u>	<u>(\$5,221)</u>	<u>(\$5,352)</u>
Total Costs	<u>(\$221,060)</u>	<u>(\$220,270)</u>	<u>(\$222,249)</u>
FTE Change - DNR	3 FTE	3 FTE	3 FTE
NET EFFECT ON MULTIPURPOSE WATER RESOURCE PROGRAM FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Estimated Net FTE Change for the Multipurpose Water Resource Program Fund	3 FTE	3 FTE	3 FTE

<u>FISCAL IMPACT - Local Government</u>	<u>FY 2017</u> (10 Mo.)	<u>FY 2018</u>	<u>FY 2019</u>
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LOCAL POLITICAL SUBDIVISIONS

Local Political Subdivisions - Mailing Costs - §640.136	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>
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ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</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

This bill requires public water systems under Chapter 640, RSMo, and water supply districts under Chapter 247 to notify the Department of Health and Senior Services, Department of Natural Resources, and its customers, at least 90 days prior to any meeting held at which a vote to modify the fluoridation of water in the system or district will occur. If the water system is an investor-owned water supply, the entity calling for the modifications is responsible for the meeting and the notice requirements.

Sections 256.437, 256.438, 256.440, 256.443, 644.136 and 644.200

This bill specifies that if an applicant for a construction or operating permit under the Missouri Clean Water Law is registered and in good standing as a corporation, partnership, limited liability company, or other business organization in this state, the continuing authority requirements are deemed satisfied.

The Department of Natural Resources must provide any municipality or community currently served by a wastewater treatment system with information regarding options to upgrade the existing lagoon system to meet discharge requirements. The information must include available advanced technologies including biological treatment options. The municipality or community, or a third party it hires, may conduct an analysis, including feasibility and cost, of available options to meet the discharge requirements. If upgrading or expanding the existing system is feasible, cost effective and will meet the discharge requirements, the department must allow the entity to implement the option.

FISCAL DESCRIPTION (continued)

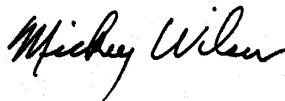
§640.136 - This act requires public water systems under Chapter 640, RSMo, and water supply districts under Chapter 247 to notify the Department of Health and Senior Services, Department of Natural Resources, and its customers, at least 90 days prior to any meeting held at which a vote to modify the fluoridation of water in the system or district will occur. If the water system is an investor-owned water supply, the entity calling for the modifications is responsible for the meeting and the notice requirements.

This bill contains an emergency clause for section 644.200.

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 - Administrative Hearing Commission
Department of Economic Development
Department of Natural Resources
Department of Health and Senior Services
Department of Revenue
City of Columbia
City of Kansas City
St. Louis County
Metropolitan St. Louis Sewer District



Mickey Wilson, CPA
Director
June 3, 2016

Ross Strope
Assistant Director
June 3, 2016