

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5243-04  
Bill No.: SCS for HCS for HB 1713 with SA 1, SA 3 and SA 5  
Subject: Environmental Protection; Natural Resources, Department of, Sewers and Sewer Districts; Utilities: Water Resources and Water Districts  
Type: Original  
Date: May 9, 2016

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

**FISCAL SUMMARY**

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

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

\*Transfers In from General Revenue in addition to Contribution Fees Generated and Costs Net to Zero

Numbers within parentheses: ( ) indicate costs or losses.  
 This fiscal note contains 10 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</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 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
Multipurpose Water Resource Program Fund	3 FTE	3 FTE	3 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>3 FTE</b>	<b>3 FTE</b>	<b>3 FTE</b>

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

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

#### **Section 67.5070 - Design-Build Contract” (SA 3)**

In response to a similar proposal from this year (SCS for SB 781) the following responses were received:

Officials at the **City of Kansas City** assumed from the proposal there would 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 would be afforded the opportunity to consider the most efficient method for building a project. As a result, the City would most likely see increased funds in its capital account which could allow the flexibility to consider more innovative approaches in facility design and operation.

Officials at the **Callaway County Commission** assumed an unknown positive fiscal impact from the proposal.

Officials at the **Department of Natural Resources**, the **Office of Administration's Division of Purchasing and Materials Management** and the **Division of Facilities Management, Design and Construction** and the **Department of Economic Development** each assumed no fiscal impact to their respective agencies from the proposal.

Officials at **St. Louis County**, the **City of Columbia**, the **Stoddard County Public Administrator Office** and the **City of Jefferson** each assumed no fiscal impact to their respective entities from the proposal.

In response to a previous version, officials at the **Laclede County Public Administrator Office** assumed no fiscal impact from this proposal.

Officials at the **University of Missouri System**, the **State Technical College of Missouri**, the **University of Central Missouri**, the **Missouri Western State University**, the **Northwest Missouri State University** and the **Missouri State University** each assumed no fiscal impact to their respective entities from the proposal.

In response to a previous version, officials at the **Metropolitan Community College** assume no fiscal impact from this proposal.

**Oversight** will show an unknown positive fiscal impact on local political subdivisions.

ASSUMPTION (continued)

**Sections 256.437, 256.438, 256.440, and 256.443**

In response to a previous version of this proposal, officials at the **Department of Natural Resources (DNR)** assumed the proposal would have a negative fiscal impact to 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 Water Resource Program Fund created by this proposal. The existing Multipurpose Water Resource Program Renewable Water Program 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 because the proposal contains an emergency clause. 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.

**Oversight** will show a \$0 impact to the Multipurpose Water Resource Program Fund because it is assumed that the revenue received from General Revenue and contribution fees deposited directly to the Multipurpose Water Resource Program Fund combined will equal the costs of the program.

ASSUMPTION (continued)

**Sections 644.180 and 644.200**

In response to a previous version of this proposal, the following responses were received:

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

Officials at the **Department of Agriculture** assumed the proposal would not have a fiscal impact on their organization.

Officials at the **Metropolitan St. Louis Sewer District** assumed the proposal would not have a fiscal impact on their organization.

Officials at **Kansas City** assumed the proposal would not have a fiscal impact on their organization.

Officials at the **St. Louis County** assumed the proposal would not have a fiscal impact on their organization.

In response to a previous version, officials at **Department of Health and Senior Services** and **Department of Conservation** each assumed the proposal would not have a fiscal impact on their respective organizations.

In response to a previous version, officials at the city of **Fulton** assumed the proposal would not have a fiscal impact on their organization.

In response to a previous version, officials at the counties of **Mississippi** and **Callaway County** each assumed the proposal would not have a fiscal impact on their respective organizations.

**§644.021 Clean Water Commission (SA 1)**

In response to a similar proposal from this year (HCS for SS for SB 937), **Oversight** assumed the proposal had no fiscal impact.

**§644.136 Modifications to Fluoridation of Water Supply (SA 5)**

In response to a similar proposal from this year (SS for HCS for HB 1717), the following responses were received:

ASSUMPTION (continued)

In response to a previous version, officials at the **City of Columbia** assumed the proposal would have a negative fiscal impact to their organization because it would require an estimated mailing cost of \$40,000 to notify customers fluoridation of the water will be on the election ballot.

**Oversight** showed 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** has no way of knowing how many water districts and public water systems would make modifications to fluoridation of its water supply. Therefore, one response is not sufficient to show a range of potential mailing costs that could incur from this proposal.

Officials at the **Office of Administration - Administrative Hearing Commission**, the **Department of Natural Resources (DNR)**, the **Department of Revenue**, and the **Department of Health and Senior Services (DHSS)** each assumed the proposal would not have a fiscal impact on their respective organizations.

In response to a previous version, officials at the **City of Kansas City** assumed the proposal would not have a fiscal impact on their organization.

Officials at the **Metropolitan St. Louis Sewer District** assumed the proposal would not have a fiscal impact to their organization.

Officials at **Callaway County**, **Columbia/Boone County**, and **St. Louis County** each assumed the proposal would not have a fiscal impact on their respective organizations.

**Oversight** assumed 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.

For the purpose of the fiscal note, **Oversight** assumes no direct fiscal impact on state government.

<u>FISCAL IMPACT - State Government</u>	FY 2017	FY 2018	FY 2019
<b>GENERAL REVENUE</b>			
<u>Transfer Out</u> - to Multipurpose Water Resource Program Fund - DNR - §256.437, §256.438, §256.440, and §256.443	( <u>\$221,060</u> )	\$0 or Up to ( <u>\$220,270</u> )	\$0 or Up to ( <u>\$222,249</u> )
<b>NET EFFECT ON GENERAL REVENUE</b>	<b>(<u>\$221,060</u>)</b>	<b>\$0 or Up to (<u>\$220,270</u>)</b>	<b>\$0 or Up to (<u>\$222,249</u>)</b>
<b>MULTIPURPOSE WATER RESOURCE PROGRAM FUND</b>			
<u>Revenue</u> - Contribution Fees - §256.437, §256.438, §256.440, and §256.443	\$0	\$0 or Up to \$220,270	\$0 or Up to \$222,249
<u>Transfer In</u> - from General Revenue - §256.437, §256.438, §256.440, and §256.443	\$221,060	\$0 or Up to \$220,270	\$0 or Up to \$222,249
<u>Costs</u> - §256.437, §256.438, §256.440, and §256.443			
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
<b>NET EFFECT ON MULTIPURPOSE WATER RESOURCE PROGRAM FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
Estimated Net FTE Change for the Multipurpose Water Resource Program Fund	3 FTE	3 FTE	3 FTE





FISCAL DESCRIPTION (continued)

feasible, cost effective and will meet the discharge requirements, the department must allow the entity to implement the option.

§644.021 - This act creates a water contaminant control agency to be known as the “Clean Water Commission of the State of Missouri whose domicile shall be deemed to be that of the Department of Natural Resources.

§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.

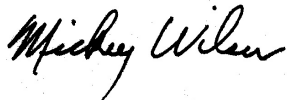
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Natural Resources  
Department of Agriculture  
Department of Health and Senior Services  
Department of Conservation  
Office of Administration - Administrative Hearing Commission  
Office of Administration- Division of Purchasing and Materials Management  
Office of Administration - Division of Facilities Management, Design and Construction  
Department of Economic Development  
Department of Revenue  
City of Columbia  
City of Fulton  
City of Jefferson  
City of Kansas City  
Callaway County  
Laclede County  
Mississippi County  
Platte County  
St. Louis County

SOURCES OF INFORMATION (continued)

Stoddard County  
Metropolitan St. Louis Sewer District  
University of Missouri System  
State Technical College of Missouri  
University of Central Missouri  
Missouri Western State University  
Northwest Missouri State University  
Missouri State University



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