

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4761-01
Bill No.: SB 659
Subject: Department of Natural Resources; Sewers and Sewer Districts; Utilities; Water Resources and Water Districts
Type: Original
Date: January 5, 2018

Bill Summary: This proposal changes the maximum amount of a grant that may be issued by the Department of Natural Resources for financing certain utility projects from \$1,400 per connection to \$3,000 per connection.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Water Protection Fund	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
Total Estimated Net Effect on <u>Other</u> State Funds	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
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 2019	FY 2020	FY 2021
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Natural Resources (DNR)** assume the proposal will have no fiscal impact on their organization.

DNR states the Rural Sewer Grant (RSG) program had previously been funded by State Water Pollution Control Bond Funds authorized by Missouri Constitution, Article III, Sections 37 (e) and (g). The RSG program as it is today began in SFY 2015 and is funded by Clean Water Administration fees. DNR was aware of communities who would be faced with upgrades to meet more stringent permit requirements. These grants can be utilized for two types of wastewater construction projects: construct facilities to connect unsewered areas to a central wastewater treatment and collection system, or to fund the costs to upgrade improvements to meet more stringent requirements. These grants are limited to public sewer districts, public water districts, and communities with less than 10,000 population with geographical restrictions.

DNR notes that five of the grants were issued during CY 2015, six during CY 2016 and four during CY 2017. The average amount of these grants is approximately \$256,000 and can range from \$19,000 to \$500,000.

Officials from the **Department of Revenue, Office of the Secretary of State and Joint Committee on Administrative Rules** each assume the proposal will have no fiscal impact on their respective organizations.

Officials from the **Metropolitan St. Louis Sewer District** assume the proposal will have no fiscal impact on their organization.

Oversight assumes a \$0 to Unknown negative impact related to the increase in grant money available for certain individual water and sewer system projects.

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
WATER PROTECTION FUND			
<u>Cost</u> - DNR - Possible increase in grant totals due to increase in per connection grant limit from \$1,400 to \$3,000	\$0 to <u>(Unknown)</u>	\$0 to <u>(Unknown)</u>	\$0 to <u>(Unknown)</u>
ESTIMATED NET EFFECT ON THE WATER PROTECTION FUND	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2019 (10 Mo.)	 FY 2020	 FY 2021
	<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 changes the maximum amount of a grant that may be issued by the Department of Natural Resources for financing certain utility projects from \$1,400 per connection to \$3,000 per connection.

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

L.R. No. 4761-01
Bill No. SB 659
Page 5 of 5
January 5, 2018

SOURCES OF INFORMATION

Department of Natural Resources
Department of Revenue
Office of the Secretary of State
Joint Committee on Administrative Rules
Metropolitan St. Louis Sewer District

Ross Strobe

A handwritten signature in black ink, appearing to read "Ross Strobe", with a stylized flourish at the end.

Acting Director
January 5, 2018