

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 497-02  
Bill No.: Truly Agreed to and Finally Passed SB 256  
Subject: Political Subdivisions: Sewers and Sewer Districts  
Type: Original  
Date: April 2, 2001

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
General Revenue	\$0	(\$1,022,815)	(\$3,168,402)
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>\$0</b>	<b>(\$1,022,815)</b>	<b>(\$3,168,402)</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
<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 LOCAL FUNDS</b>			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 4 pages.

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## FISCAL ANALYSIS

### ASSUMPTION

#### Water Pollution Control Bonds

Officials of the **Office of Administration** assume this proposal would authorize \$ 40 million in bonds for water pollution control. They indicated that the bond issue date would depend on the use of available bond proceeds from bonds authorized but not yet issued. OA officials assume a multi- year bond sale with \$10 million issued in FY 03, and \$ 25 million issued in FY 04. Officials assume 25 year maturity, 7% interest rate, level debt service. OA assumes that the full authorized amounts would not need to be issued immediately. Based on these factors, annual debt service would approximate: \$0 in FY 2002; \$858,105 in FY 2003 ; and \$3,003,368 in FY 2004. Officials estimate one-time costs per issue would include personal services of existing staff. Officials estimate costs in FY 2003 at \$188, 614.63 and in FY 2004 costs were estimated to be \$189,580. **Oversight** assumes that the one-time personal service costs would be performed by existing staff, with no increase costs to OA for these services.

OA officials also request that .25 Executive Assistant be hired to initiate general revenue transfers to the appropriate debt service funds, reconcile all paying agent transactions for principal and interest, and monitor all fees due the paying agent. Total costs for this position including fringe benefits, equipment, agent fees, and expense would be \$14,710 in FY 2003 and \$15,034 in FY 2004. Paying agent fees are expected to approximate \$2,000 annually.

Officials of the **Department of Natural Resources** stated this proposal would have no fiscal impact to their department

Officials of the cities of **St.Charles, Kansas City, Springfield, and Mexico**, assume Section 644.027 of this proposal would have no fiscal impact..

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
<b>GENERAL REVENUE FUND</b>			
Personal service ( .25 FTE )	\$0	(\$8,567)	(\$8,781)
Fringe benefits	\$0	(\$2,855)	(\$2,927)
Equipment and Expense	\$0	(\$1,288)	(\$1,326)
Paying agent fees	\$0	(\$2,000)	(\$2,000)
Cost of issuance	\$0	(\$150,000)	(\$150,000)
Transfer to principal & interest sinking fund	<u>\$0</u>	<u>(\$858,105)</u>	<u>(\$3,003,368)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>\$0</u></b>	<b><u>(\$1,022,815)</u></b>	<b><u>(\$3,168,402)</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

FISCAL IMPACT - Small Business

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

DESCRIPTION

This proposal provides that political subdivisions, sewer and water districts which own or operate sewer or water systems may require the owners of all houses, buildings, or other facilities within the political subdivisions boundaries, to connect to the sewer system.

This proposal would authorize the issuance of \$40 million in bonds for the control of water pollution and storm water.

1) Section 2: This proposal authorizes ten million dollars for bonds for rural water, and sewer projects pursuant to Section 37 (g).

DESCRIPTION (continued)

2) Section 3: This proposal authorizes twenty million dollars for bonds for storm water control plans, studies and projects in first class counties and the City of St. Louis pursuant to Section 37 (h).

3) Section 1: The current authorization of ten million dollars for water pollution control, drinking water system improvements, and storm water control pursuant to Section 37 (e) remain unchanged. This amount would be in addition to those sums authorized prior to August 28, 2000..

This proposal has an emergency clause.

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  
Department of Natural Resources  
City of St.Charles  
Kansas City Manager's Office  
City of Springfield  
City of Mexico



Jeanne Jarrett, CPA  
Director  
April 2, 2001