

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4342-01
Bill No.: SB 1131
Subject: Political Subdivisions: Utilities; Bonds
Type: Original
Date: March 4, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Blind Pension	\$0	(Unknown)	(Unknown)
Total Estimated Net Effect on <u>All</u> State Funds	\$0	(Unknown)	(Unknown)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	\$0	(Unknown)	(Unknown)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Department of Economic Development's Public Service Commission and Office of the Public Counsel** and of the **Department of Natural Resources** stated that the proposal would not significantly affect their agencies.

Oversight notes that political subdivisions would be affected because the property-tax status of properties owned by joint municipal commissions or joint political subdivision commissions would change. Under current law, property owned by these commissions is treated like property by corporate utilities. Oversight also assumes that the provisions of this proposal could not take effect until a constitutional amendment changing requirements that joint political subdivision commissions be treated as Public Service Commission - regulated corporations passes. Therefore, political subdivisions would not see fiscal impacts FY 2004.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
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BLIND PENSION FUND

<u>Loss</u> - Property Tax on Joint Commission Properties	\$0	(Unknown)	(Unknown)
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ESTIMATED NET EFFECT ON BLIND PENSION FUND	<u>\$0</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
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POLITICAL SUBDIVISIONS

<u>Loss</u> - Property Tax on Joint Commission Properties	\$0	(Unknown)	(Unknown)
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ESTIMATED NET EFFECT ON POLITICAL SUBDIVISIONS	<u>\$0</u>	<u>(Unknown)</u>	<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.

DESCRIPTION

This proposal would remove joint municipal utility commissions from being considered as corporations subject to oversight by the Missouri Public Service Commission.

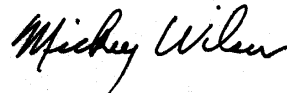
DESCRIPTION (continued)

It would allow joint municipal utility commissions to issue bonds and sell them at public or private sales at prices determined by the commissions. All property acquired as a result of the bonds, except for properties acquired exclusively for water supply districts, would be taxed as if it was directly owned by the municipality in proportion to the municipality's interest or participation in the property.

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

SOURCES OF INFORMATION

Department of Economic Development
Public Service Commission
Office of the Public Counsel
Department of Natural Resources



Mickey Wilson, CPA
Acting Director
March 4, 2002