

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4698-01  
Bill No.: HB 1286  
Subject: Saint Louis; Sewers and Sewer Districts  
Type: Original  
Date: February 4, 2014

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Bill Summary: This proposal allows the St. Louis Metropolitan Sewer District to reimburse property owners up to \$3,000 for damage caused from sewer line overcharges.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 4 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</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 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>Local Government</b>	<b>(\$215,895 to \$3,501,000)</b>	<b>(\$215,895 to \$3,501,000)</b>	<b>(\$215,895 to \$3,501,000)</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials at the **Metropolitan St. Louis Sewer District** assume the financial impact could be up to \$3,501,000 (1,167 \* \$3,000) based on 37% of claims historically exceeding the threshold. In this case, 1,167 is the typical number of claims per year. The current voluntary program reimburses property owners up to \$2,500 per year for damages. The District has a Board of Trustees who appropriate funds each year into a insurance program they have in place right now. Incrementally over their current voluntary program, the impact is estimated at approximately \$215,895 (1,167 \* 37% \* \$500 - currently providing up to \$2,500 and the proposal mandates a reimbursement level of up to \$3,000). The District also assumes that the current program could no longer be voluntary, and therefore could impact the District annually in the amount of \$3,501,000.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
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### **LOCAL POLITICAL SUBDIVISIONS**

Costs - Local Political Subdivisions - damages from sewer line overcharges	(\$215,895 to <u>\$3,501,000</u> )	(\$215,895 to <u>\$3,501,000</u> )	(\$215,895 to <u>\$3,501,000</u> )
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<b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS</b>	<b>(\$215,895 to <u>\$3,501,000</u>)</b>	<b>(\$215,895 to <u>\$3,501,000</u>)</b>	<b>(\$215,895 to <u>\$3,501,000</u>)</b>
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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 the Metropolitan St. Louis Sewer District to reimburse a property owner located within the district up to \$3,000 for damage caused from a sewer line that has discharged into the property owner's building or structure due to an overcharge.

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

Metropolitan St. Louis Sewer District

Mickey Wilson, CPA  
Director  
February 4, 2014



Ross Strobe  
Assistant Director  
February 4, 2014