

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2953-01
Bill No.: SB 932
Subject: Bonds - General Obligation and Revenue; Environmental Protection
Type: Original
Date: January 20, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the Governor**, the **Office of the Lieutenant Governor**, the **Office of the State Auditor**, the **Office of the State Treasurer**; and the **Office of Administration, Division of Budget and Planning**, assume this proposal would have no impact on their organizations.

Although they did not respond to our request for information, officials from the **Attorney General's Office**, in response to a similar proposal in the prior year, assumed the proposal would have no fiscal impact on their agency.

Officials from the **Office of the Secretary of State** did not respond to our request for information.

ASSUMPTION (continued)

Officials from the **Department of Natural Resources** (DNR) assume the proposal authorizes the sale of \$40 million in Water Pollution and Stormwater Control Bonds to be used as noted:

- Provide match to the federal capitalization grant for the State Revolving Fund (SRF).
- Provide funding to continue the state's 40% State Construction Grants Program for those economically disadvantaged communities that do not qualify for the SRF loan program.
- Provide funding to continue the rural water and sewer grant program and the storm water grant program.
- Initiate loan programs under the rural water and sewer grant and storm water grant programs.
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The proposed legislation would help promote water quality and public health improvements. Principal and interest payments would be expected to run 25 years from FY 2005. Fiscal Impact would be dependent on interest rates on the bonds at the time of sale. Bonds are sold on as-needed basis. Bond sales lag authorization by approximately 3 years.

37(e) money is approved for \$10 million to be spent as follows:

\$3 Million for the 40% State Construction Grant Program

\$2.5 Million for the Rural Water and Sewer grants

\$4.5 Million for the Clean Water State Revolving Fund (20% match required to receive Federal Funds)

37(g) money is approved for \$10 Million to be spent as follows:

\$5 Million for Rural Water grants and loans

\$5 Million for Rural Sewer grants and loans

37(h) money is approved for \$20 Million to be spent as follows:

\$10 Million for stormwater grants

\$10 Million for stormwater loans

ASSUMPTION (continued)

Officials from the **Office of Administration, Division of Accounting**, assume the following:

1. No bond issuance in FY 05.
2. A \$45 million issuance in FY 06 using existing legislative authorization.
3. No bond issuance in FY 07.
4. Bonds authorized by this proposed legislation would not be issued prior to FY 08.

Oversight notes that the first issuance of bonds authorized in this proposal would be after the last reported state fiscal year in this fiscal note. There would be a significant fiscal impact to the state in subsequent years.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
	<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.

DESCRIPTION

This proposal would authorize the Board of Fund Commissioners to issue an additional \$20 million in water pollution control bonds.

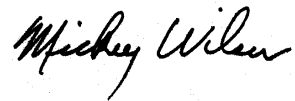
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the State Auditor
Office of the State Treasurer
Office of Administration
 Division of Budget and Planning
Department of Natural Resources

NOT RESPONDING

Office of the Secretary of State
Office of the Attorney General



Mickey Wilson, CPA
Director
January 20, 2004