

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5905-02
Bill No.: HCS for HB 2216
Subject: Water Resources and Water Districts; Political Subdivisions; Property, Real and Personal
Type: Original
Date: February 26, 2018

Bill Summary: This proposal prohibits political subdivisions from restricting the rights of certain property owners with regard to water resources.

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 |
| | | | |
| Total Estimated Net Effect on <u>Other</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 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

In response to a previous version, officials at the **City of St. Charles** assumed this bill prohibits political subdivisions from restricting private wells in certain instances. A private well would introduce additional demand on sewer systems, since the amount of water used would be unknown. If fire protection is provided by a public water supply, then the burden of the cost would be borne on the other customers and not the owner of the private well. Public water systems are regulated, are constantly monitoring water quality and must provide safe water to the public. A private well is not under the same regulations. Additionally, if a public system was connected to the same system as a private well (as a backup to the private system) and a backflow valve failed, this could cause contamination of the public system. The true fiscal impact of such legislation would be extremely difficult to calculate.

In response to a previous version, officials at the **City of Springfield** assumed there is a potential negative fiscal impact, however the impact is unquantifiable without knowing how the proposal will affect City departments.

Oversight assumes this proposal prohibits political subdivisions from restricting the rights of certain property owners with regard to water resources. While there are advantages and disadvantages of owning a private well vs. a public water supply, there are also rules and regulations in place to monitor public water supplies. Oversight assumes the proposal would not have a direct fiscal impact on local political subdivisions.

Officials at the **Department of Natural Resources** and the **State Tax Commission** each assume no fiscal impact to their respective agencies from this proposal.

Officials at **St. Louis County**, **Boone County** and the **Callaway County Commission** each assume no fiscal impact to their respective entities from this proposal.

In response to a previous version, officials at **City of Kansas City** assumed no fiscal impact from this proposal.

Officials from the following **counties**: Andrew, Atchison, Audrain, Barry, Benton, Bollinger, Buchanan, Camden, Cape Girardeau, Carroll, Cass, Christian, Clay, Clinton, Cole, Cooper, Davies, Dekalb, Dent, Franklin, Greene, Holt, Jackson, Jefferson, Johnson, Knox, Laclede, Lawrence, Lincoln, Maries, Marion, McDonald, Miller, Moniteau, Monroe, Montgomery, New Madrid, Nodaway, Ozark, Perry, Pettis, Platte, Pulaski, Scott, St. Charles, St. Francois, Taney, Wayne, and Worth did not respond to **Oversight's** request for fiscal impact.

ASSUMPTION (continued)

Officials from the following **cities**: Ashland, Belton, Bernie, Bonne Terre, Boonville, California, Cape Girardeau, Clayton, Columbia, Dardenne Prairie, Excelsior Springs, Florissant, Frontenac, Fulton, Grandview, Harrisonville, Independence, Jefferson City, Joplin, Kearney, Knob Noster, Ladue, Lake Ozark City, Lee Summit, Liberty, Louisiana, Maryland Heights, Maryville, Mexico, Monett, Neosho, O’Fallon, Peculiar, Pineville, Popular Bluff, Raytown, Republic, Richmond, Rolla, Sedalia, St. Louis, St. Robert, Sugar Creek, Sullivan, Warrensburg, Warrenton, Webb City, Weldon Spring and West Plains did not respond to **Oversight’s** request for fiscal impact.

Officials at the following water and sewer districts: Cole County Public Water District 3, Cole County Public Water District #4, Franklin County Water District and the St. Charles County Public Water Supply District #2 did not respond to **Oversight’s** request for fiscal impact.

| <u>FISCAL IMPACT - State Government</u> | FY 2019 (10 Mo.) | FY 2020 | FY 2021 |
|---|---------------------|------------|------------|
| | <u>\$0</u> | <u>\$0</u> | <u>\$0</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

There could be a direct fiscal impact to small businesses who sell private wells as a result of this proposal.

FISCAL DESCRIPTION

Currently, Missouri landowners have the right to have, use, and own private water systems and ground source systems any time and anywhere unless prohibited by city ordinances. This bill specifies that this includes systems for potable water and rainwater collection and removes the ability for cities to prohibit the use through a city ordinance.

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

City of St. Charles
Department of Natural Resources
State Tax Commission
St. Louis County
Boone County
Callaway County Commission
City of Kansas City
City of Springfield

Ross Strope



Acting Director
February 26, 2018