

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4879-03
Bill No.: Perfected HCS for HB 2120
Subject: Utilities; Water Resources and Water Districts
Type: Original
Date: March 4, 2020

Bill Summary: This proposal establishes provisions relating to water safety and security.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
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 2021	FY 2022	FY 2023
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on FTE			

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 2021	FY 2022	FY 2023
Local Government	(Unknown)	(Unknown)	(Unknown)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Natural Resources, Department of Economic Development** and **Department of Corrections** each assume the proposal will have no fiscal impact on their respective organizations.

Oversight notes that the agencies mentioned above have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for these agencies.

Officials from the **City of Kansas City** assume the proposal will have no fiscal impact on their organization. Exceptions have been created in various provisions of the proposal for cities with populations in excess of 30,000.

Officials from the **City of St. Louis Water Division** assume the proposal will have no fiscal impact on their organization.

Oversight notes that the agencies mentioned above have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for these agencies.

Oversight notes that cities with a population of less than 30,000 could incur costs to upgrade their water systems and perform the required inspections listed in this proposal; therefore, Oversight will reflect an “unknown” cost to local political subdivisions.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other cities and water districts were requested to respond to this proposed legislation but did not. A general listing of political subdivisions included in our database is available upon request.

<u>FISCAL IMPACT - State Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
LOCAL CITY-OWNED UTILITIES/WATER DISTRICTS			
<u>Cost</u> - Update water systems and perform inspections	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON LOCAL CITY-OWNED UTILITIES/WATER DISTRICTS	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

FISCAL IMPACT - Small Business

There may be a direct fiscal impact to those public water systems that meet the definition of a small business as a result of this proposal. This may include not only those systems that will be regulated, but also any small business that may have to adjust water rates to allow the water system to comply with this bill.

FISCAL DESCRIPTION

This proposal establishes provisions relating to water safety and security.

This legislation is not federally mandated but may be duplicative of parts of the American Water and Infrastructure Act (AWIA). It would not require additional capital improvements or rental space.


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SOURCES OF INFORMATION

Department of Natural Resources
Department of Corrections
Department of Economic Development
City of Kansas City
City of St. Louis Water Division



Julie Morff
Director
March 4, 2020



Ross Strobe
Assistant Director
March 4, 2020