

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6090-01
Bill No.: SB 905
Subject: Cities, Towns and Villages; Contracts and Contractors; Counties; Natural Resources Department; Political Subdivisions; Sewers and Sewer Districts; Water Resource and Water Districts
Type: Original
Date: April 2, 2012

Bill Summary: This proposal allows certain political subdivisions to contract out engineering, water quality management, and maintenance services on existing water storage tanks.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on FTE	0	0	0

- 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).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Local Government	Unknown expected to exceed \$100,000	Unknown expected to exceed \$100,000	Unknown expected to exceed \$100,000

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Administration, Department of Labor and Industrial Relations** and **Department of Natural Resources** each assume the current proposal would not fiscally impact their respective agencies.

Officials from the **City of Kansas City** state that savings might be experienced by this legislation if the contracted for costs are less than the otherwise applicable prevailing wages.

Officials from the **City of Columbia** assume the current proposal would not fiscally impact their agency.

Officials from the **County of St. Louis** assume the current proposal would not fiscally impact their county.

Officials from the **Metropolitan St. Louis Sewer District** assume the current proposal would not fiscally impact their agency.

Officials from the **Public Water Supply District #2 of St. Charles County** stated that the district has twenty-two water tanks requiring regular inspection and maintenance as described by the proposal. By eliminating the requirement for prevailing wage, the district would save approximately \$200,000 each year. Additional savings would be seen in subsequent years, beyond the fiscal impact scope. This savings is approximately 25% of the total cost of the work.

Officials from the **Counties of Andrew, Barry, Bates, Boone, Buchanan, Butler, Callaway, Camden, Cape Girardeau, Carroll, Cass, Clay, Cole, Cooper, DeKalb, Franklin, Greene, Hickory, Holt, Jackson, Jasper, Jefferson, Johnson, Knox, Laclede, Lafayette, Lawrence, Lincoln, Marion, Miller, Moniteau, Monroe, Montgomery, New Madrid, Nodaway, Ozark, Pemiscot, Perry, Phelps, Platte, Pulaski, Scott, St. Charles, St. Francois, Taney, Texas, Warren, and Webster** did not respond to Oversight's request for fiscal impact.

Officials from the **Cole County Public Water District, Franklin County Water District, Independence Power and Light District** and **Public Water District #3** did not respond to Oversight's request for fiscal impact.

ASSUMPTIONS (continued)

Officials from the **Cities of Ashland, Belton, Bernie, Bonne Terre, Boonville, California, Cape Girardeau, Clayton, Dardenne Prairie, Excelsior Springs, Florissant, Frontenac, Fulton, Gladstone, Grandview, Harrisonville, Independence, Jefferson City, Joplin, Kearney, Kennett, Knob Noster, Ladue, Lake Ozark, Lebanon, Lee Summit, Liberty, Linn, Louisiana, Maryland Heights, Maryville, Mexico, Monett, Neosho, O’Fallon, Pacific, Peculiar, Popular Bluff, Raytown, Republic, Richmond, Rolla, Sedalia, Springfield, St. Charles, St. Joseph, 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.

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
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LOCAL POLITICAL SUBDIVISIONS

<u>Savings</u> - Removing the prevailing wage requirement for labor performed on water district tanks.	<u>Unknown</u> <u>expected to</u> <u>exceed</u> <u>\$100,000</u>	<u>Unknown</u> <u>expected to</u> <u>exceed</u> <u>\$100,000</u>	<u>Unknown</u> <u>expected to</u> <u>exceed</u> <u>\$100,000</u>
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ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>Unknown</u> <u>expected to</u> <u>exceed</u> <u>\$100,000</u>	<u>Unknown</u> <u>expected to</u> <u>exceed</u> <u>\$100,000</u>	<u>Unknown</u> <u>expected to</u> <u>exceed</u> <u>\$100,000</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.

FISCAL DESCRIPTION

The proposal allows county commissioners, public water supply districts, soil and water conservation districts, sanitary districts, sewer districts, and municipal corporations to enter into contracts for the engineering, water quality management, and maintenance of their existing water storage tanks and related facilities, provided that the terms of the contract do not change the size or capacity of the storage tanks. Maintenance work under these contracts is not subject to prevailing wage requirements. Certain provisions must be included in any such contract concerning maximum annual payments by the political subdivision, licensed professional engineers, and regulatory compliance.

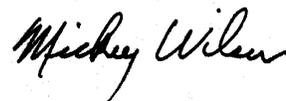
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Natural Resources
Department of Labor and Industrial Relations
Office of Administration
County of St. Louis
City of Columbia
City of Kansas City
Public Water Supply District #2 of St. Charles County
Metropolitan St. Louis Sewer District

NOT RESPONDING

Numerous Cities
Numerous Counties
Numerous Water Districts



Mickey Wilson, CPA
Director

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