

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1711-01
Bill No.: SB 366
Subject: Economic Development Department; Roads and Highways; Telecommunications; Utilities; Water Resources and Water Districts
Type: Original
Date: March 5, 2013

Bill Summary: This proposal creates the Rebuild Damaged Infrastructure Program to repair infrastructure damaged by natural disasters.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
General Revenue	\$0 or (Unknown greater than \$100,000)	\$0 or (Unknown greater than \$100,000)	\$0 or (Unknown greater than \$100,000)
Total Estimated Net Effect on General Revenue Fund	\$0 or (Unknown greater than \$100,000)	\$0 or (Unknown greater than \$100,000)	\$0 or (Unknown greater than \$100,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Rebuild Damaged Infrastructure Fund*	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

* Revenues and cost net to zero.

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
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 2014	FY 2015	FY 2016
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Economic Development (DED)** assume this proposal creates the Rebuild Damaged Infrastructure Program. This program entitles the General Assembly to appropriate money to public and private companies to rebuild damaged infrastructure damaged by natural disasters. DED would implement the program by establishing criteria for the loan application. DED would also be in charge of compliance regarding repayment of the loan.

This proposal creates a Rebuild Damaged Infrastructure Fund. The Fund will be managed by DED with the State Treasurer as the custodian.

As a result of the proposed legislation, DED assumes an unknown fiscal impact. DED would require one additional FTE to administer the program due to the anticipated amount of administration involved. The FTE would be an Economic Development Incentive Specialist III (\$41,016) and be responsible for reviewing and approving the applications for the program to determine eligibility, establishing procedures, reviewing the loan applications to make sure they meet the criteria of the program, drafting and sending the loan awards, and ensuring compliance with the program.

Oversight assumes DED can absorb the duties of this proposal with existing staff. Should the number of applicants reach the level where additional staff are needed, DED could request the FTE through the appropriation process.

Oversight assumes this proposal allows the General Assembly to appropriate money for the Rebuild Damaged Infrastructure Fund. This program is not provided with an authorization limit. Oversight will reflect a \$0 (no money appropriated) to Unknown greater than \$100,000 transfer from General Revenue to the Rebuild Damaged Infrastructure Fund. Oversight will reflect that all money received by the Fund will be used in accordance with the guidelines of the proposal.

Officials at the **Joint Committee on Administrative Rules, Office of Administration - Budget and Planning** and **Office of the State Treasurer** each assume there is no fiscal impact to their organization from this proposal.

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for

ASSUMPTION

this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

Officials at the Department of Revenue did not respond to **Oversight's** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
GENERAL REVENUE			
<u>Transfer Out</u> - to the Rebuild Damaged Infrastructure Fund	\$0 or (Unknown greater than <u>\$100,000</u>)	\$0 or (Unknown greater than <u>\$100,000</u>)	\$0 or (Unknown greater than <u>\$100,000</u>)
ESTIMATED NET EFFECT ON GENERAL REVENUE	\$0 or (Unknown greater than <u>\$100,000</u>)	\$0 or (Unknown greater than <u>\$100,000</u>)	\$0 or (Unknown greater than <u>\$100,000</u>)
REBUILD DAMAGED INFRASTRUCTURE FUND			
<u>Transfer In</u> - from General Revenue	\$0 or Unknown greater than \$100,000	\$0 or Unknown greater than \$100,000	\$0 or Unknown greater than \$100,000
<u>Revenue</u> - annual repayment of the loans	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Cost</u> - loans made for infrastructure repair	\$0 or (Unknown greater than <u>\$100,000</u>)	\$0 or (Unknown greater than <u>\$100,000</u>)	\$0 or (Unknown greater than <u>\$100,000</u>)
ESTIMATED NET EFFECT REBUILD DAMAGED INFRASTRUCTURE FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small businesses eligible for the loan would be impacted.

FISCAL DESCRIPTION

This proposal creates the Rebuild Damaged Infrastructure Program. The program will provide interest free loans to public and private companies that own or maintain infrastructure in Joplin. Companies receiving the loans must use the money for repairing infrastructure damaged by a natural disasters. The General Assembly may appropriate money into the newly created Rebuild Damaged Infrastructure Program Fund. Moneys in the fund will be used to finance the loans.

The Department of Economic Development will administer the program. Companies applying for the loans under the program must enter into an agreement with the Department. All loans must be repaid within twenty years of the original disbursement date.

The program will sunset August 28, 2019.

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 Economic Development
Joint Committee on Administrative Rules
Office of Administration
 Budget and Planning
Office of the Secretary of State
Office of the State Treasurer

Not Responding:

Department of Revenue



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Acting Director
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