

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2196-01  
Bill No.: HB 930  
Subject: Economic Development  
Type: Original  
Date: April 22, 2013

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

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 8 pages.

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>
Insurance Dedicated	(\$10,000,000)	\$0	\$0
Lewis & Clark Discovery	(Less than \$40,000)	\$0	\$0
MO Health & Educational Facilities Authority	(\$4,000,000)	\$0	\$0
Rebuild Damaged Infrastructure Fund*	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>(Less than \$14,040,000)</b>	<b>\$0</b>	<b>\$0</b>

\* Revenue and costs net to zero.

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

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

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).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

#### §§ 33.080, 33.295 & 360.045 Rebuild Damaged Infrastructure Fund

In response to similar legislation filed this year, SB 366, officials at the **Office of Administration - Budget and Planning (BAP)** assume this proposal will transfer the June 30, 2103 balance in the Lewis and Clark Discovery Fund (LCDF) to the newly created Rebuild Damaged Infrastructure Fund on July 1, 2013. BAP estimates the June 30, 2013 balance in the LCDF will be \$12,368 as detailed below:

4-17-2013 LCDF Fund Balance	\$40,117
Remaining Project Payments	(\$28,049)
Estimated Interest Earnings	<u>\$300</u>
Estimated June 30, 2013 LCDF Fund Balance	\$12,368

This proposal also specifies that if the amount transferred on July 1, 2013 is greater than \$15 million, any amount in excess of \$15 million shall be transferred to General Revenue rather than the Rebuild Damaged Infrastructure Fund. Because the amounts from the Insurance Dedicated Fund, Department of Revenue Information Fund, and MOHEFA are set at \$14.2 million total, the July 1 transfer could only exceed \$15 million if the June 30 fund balance in the Lewis and Clark Discovery Fund exceeds \$800,000. This would only occur if MOHEFA resumes transfers into the Lewis and Clark Discovery Fund.

Officials at the **Department of Insurance, Financial Institutions and Professional Registration** assume Section 33.080.2(1) requires a one-time transfer of funds from the Insurance Dedicated Fund in the amount of \$10 million to the Rebuild Damaged Infrastructure Fund.

Officials at the **Missouri Health and Educational Facilities Authority** assume a one-time transfer of \$4 million.

Officials at the **Office of the State Treasurer** and the **State Emergency Management Agency** each assume there is no fiscal impact to their organization from this proposal.

**Oversight** assumes this proposal allows the General Assembly to appropriate money for the Rebuild Damaged Infrastructure Fund. This fund has a \$15 million cap. Oversight will reflect only money coming from the three stated sources and will not get additional appropriations from the General Revenue Fund.

ASSUMPTION (continued)

**Oversight** will reflect the one time transfer from the Insurance Dedicated Fund and the Missouri Health and Educational Facilities Authority to the Rebuild Damaged Infrastructure Fund.

**Oversight** will reflect that all money received by the Rebuild Damaged Infrastructure Fund will be used in accordance with the guidelines of the proposal.

**Oversight** states this proposal requires the one time transfer of the fund balance of the Lewis and Clark Discovery Fund to the Rebuild Damaged Infrastructure Fund on July 1, 2013. At the end of March 2013, the fund balance was \$211,409 and on April 16, 2013, the fund balance was \$40,000. Oversight will reflect in the fiscal note a transfer of Less than \$40,000.

<u>FISCAL IMPACT - State Government</u>	FY 2014	FY 2015	FY 2016
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**INSURANCE DEDICATED FUND**

<u>Transfer Out</u> - to Rebuild Damaged Infrastructure Program	<u>(\$10,000,000)</u>	<u>\$0</u>	<u>\$0</u>
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<b>ESTIMATED NET EFFECT ON INSURANCE DEDICATED FUND</b>	<b><u>(\$10,000,000)</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
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**LEWIS AND CLARK DISCOVERY FUND**

<u>Transfer Out</u> - to Rebuild Damaged Infrastructure Program	(Less than <u>\$40,000)</u>	<u>\$0</u>	<u>\$0</u>
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<b>ESTIMATED NET EFFECT ON LEWIS AND CLARK DISCOVERY FUND</b>	<b>(Less than <u>\$40,000)</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
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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

This bill establishes the Rebuild Damaged Infrastructure Program to provide funding for the reconstruction, declared natural disaster in Joplin including, but not limited to, the physical components of interrelated systems providing essential commodities and services to the public including transportation, communication, sewage, water, and electric systems as well as public elementary and secondary school buildings. On July 1, 2013, \$10 million from the Insurance-Dedicated Fund; the balance in the Lewis and Clark Discovery Fund; and \$4 million from the Health and Educational Facilities Authority must be transferred into the newly created Rebuild Damaged Infrastructure Fund to be used solely for the purposes of the program. Any moneys in excess of \$15 million in the Rebuild Damaged Infrastructure Fund must be transferred to the General Revenue Fund.

The provisions of the bill will expire on June 30, 2014.

The bill contains an emergency clause.

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 Insurance, Financial Institutions and Professional Registration  
Missouri Health and Educational Facilities Authority  
Office of Administration  
    Budget and Planning  
Office of the State Treasurer  
State Emergency Management Agency

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Ross Strope

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Acting Director  
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