

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 6454-02  
Bill No.: HCS for HB 2179  
Subject: Water Resources and Water Districts; Auditor, State  
Type: Original  
Date: April 7, 2014

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Bill Summary: This proposal specifies that the state auditor shall audit certain water supply districts.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Petition Audit Revolving Trust Fund	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>Other</u> State Funds*</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\* Revenue and Cost will Net to \$0

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</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 2015</b>	<b>FY 2016</b>	<b>FY 2017</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 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>Local Government</b>	<b>\$0</b>	<b>(\$75,000)</b>	<b>\$0</b>

**FISCAL ANALYSIS**

**ASSUMPTION**

Officials from the **St. Charles County Water District** estimate a \$50,000 cost to the District for the cost of the audit and up to another \$25,000 in fees for the time Hochschild Bloom (the District's independent auditors) would charge the District for the work they would need to do related to a State Audit.

Officials from the **Office of the State Auditor (SAU)** stated that this duties required by this proposal could be carried out with existing resources. (The base bill required that the audit be completed by 31 December 2014. The committee substitute requires that the audit be completed by 31 December 2015.)

**Oversight** assumes the cost of the audit will be paid for by the St. Charles County Water District. Reimbursement for the audit will be deposited into the Petition Audit Revolving Trust Fund. Oversight will assume the St. Charles County Water District will reimburse the Petition Audit Revolving Fund for the State Auditor's actual cost to perform the audit and will use the District's estimate for the direct cost of the audit (\$50,000).

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
<b>PETITION AUDIT REVOLVING TRUST FUND</b>			
<u>Reimbursement - SAU</u> St. Charles County Water District Audit	\$0	\$50,000	\$0
<u>Cost - SAU</u> St. Charles County Water District Audit	<u>\$0</u>	<u>(\$50,000)</u>	<u>\$0</u>
<b>ESTIMATE NET EFFECT TO THE PETITION AUDIT REVOLVING TRUST FUND *</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

\* Revenue and Cost will Net to \$0.

<u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
<b>LOCAL POLITICAL SUBDIVISIONS</b>			
<u>Cost - St Charles County Water District Water District's Independent Auditor's fees</u>	\$0	(\$25,000)	\$0
<u>Cost - St. Charles County Water District Audit Cost - Reimburse the State</u>	<u>\$0</u>	<u>(\$50,000)</u>	<u>\$0</u>
<b>ESTIMATE NET EFFECT TO THE LOCAL POLITICAL SUBDIVISIONS</b>	<b><u>\$0</u></b>	<b><u>(\$75,000)</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

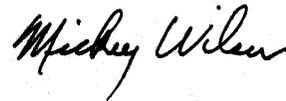
This bill requires the state auditor to audit certain public water supply districts. The audit must be conducted as specified in the petition request procedures, paid for by the water supply district, and completed by December 31, 2015. Currently, this only applies to public water supply district #2 of St. Charles County.

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

L.R. No. 6454-02  
Bill No. HCS for HB 2179  
Page 5 of 5  
April 7, 2014

SOURCES OF INFORMATION

Office of the State Auditor  
St Charles Water Supply District

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive style with a large initial 'M'.

Mickey Wilson, CPA  
Director  
April 7, 2014

Ross Strobe  
Assistant Director  
April 7, 2014