

FISCAL NOTE

(Return original and 10 copies)

Bill/Resolution No.: SB 2362 Amendment to: _____

Requested by Legislative Council Date of Request: 1-29-97

1. Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities, and school districts.

Narrative:

See attached.

2. State fiscal effect in dollar amounts:

	<u>1995-97</u> <u>Biennium</u>		<u>1997-99</u> <u>Biennium</u>		<u>1999-2001</u> <u>Biennium</u>	
	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Funds</u>	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Funds</u>	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Funds</u>
Revenues:	0	0	0	\$24,000,000	0	\$24,000,000
Expenditures:	0	0	0	\$24,000,000	0	\$24,000,000

3. What, if any, is the effect of this measure on the appropriation for your agency or department:

- a. For rest of 1995-97 biennium: 0
- b. For the 1997-99 biennium: \$24 million
- c. For the 1999-2001 biennium: \$24 million

4. County, City, and School District fiscal effect in dollar amounts:

<u>1995-97</u> <u>Biennium</u>			<u>1997-99</u> <u>Biennium</u>			<u>1999-2001</u> <u>Biennium</u>		
<u>Counties</u>	<u>Cities</u>	<u>School</u> <u>Districts</u>	<u>Counties</u>	<u>Cities</u>	<u>School</u> <u>Districts</u>	<u>Counties</u>	<u>Cities</u>	<u>School</u> <u>Districts</u>
0	0	0	0	0	0	0	0	0

If additional space is needed, attach a supplemental sheet.

Signed *David A. Sprynczynatyk*
 Typed Name David A. Sprynczynatyk
 Department State Water Commission
 Phone Number 328-4940

Date Prepared: February 4, 1996

The drinking water treatment revolving loan fund is a new program funded by the U.S. Environmental Protection Agency (EPA). EPA provides an 80 percent grant to the states, and the states must provide 20 percent. It is likely that bonds would be issued for the 20 percent non-federal share. The entire amount is loaned to the cities at a low interest rate. It is estimated that \$20 million of federal funds would be received during the 1997-99 biennium. With the 20 percent non-federal requirement, the total loan program would be \$24 million. Up to 4 percent of the total is allowed for administration including administrative oversight, establishing priorities, approving plans, providing technical assistance, and bonding. Administrative costs would be incurred by the State Water Commission, State Department of Health, and possibly the Municipal Bond Bank. We estimate the administration costs incurred by the State Water Commission would be \$200,000 per biennium (including administration costs of the Municipal Bond Bank). The costs to the State Department of Health would be about \$300,000 for the biennium.