FISCAL NOTE

Bill #: HB0142 **Title:** Permit issuance of grant or revenue anticipation notes for water, sewer projects

Primary Sponsor: Ripley, R. **Status:** As introduced

Sponsor signature Date David Ewer, Budget Director Date

Fiscal Summary

	FY 2006 Difference	FY 2007 Difference
Expenditures:		
State Special Revenue	$0	$0
Revenue:		
State Special Revenue	$0	$0
Net Impact on General Fund Balance:	$0	$0

- ☐ Significant Local Gov. Impact
- ☒ Included in the Executive Budget
- ☐ Dedicated Revenue Form Attached
- ☐ Technical Concerns
- ☐ Significant Long-Term Impacts
- ☐ Needs to be included in HB 2

Fiscal Analysis

ASSUMPTIONS:

Department of Natural Resources and Conservation (DNRC)

1. The demand for water and sewer loans is estimated to continue at the level of $10 - $15 million per year.
2. The federal grant award from the Environment Protection Agency (EPA) is estimated to be $12 million annually and loan repayments are estimated to remain at $5 million each year.
3. The EPA grant allows $250,000 in loan forgiveness for qualifying hardship water system loan applicants. The loan forgiveness helps to make user rates and charges more affordable for low-income communities. With the passage of this bill, the department will spend $250,000 from the existing budget for loan forgiveness expenditures.

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

Loan forgiveness would allow for more affordable user rates and charges in low-income communities.