

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4734-03
Bill No.: SCS for HB 2087
Subject: Energy; Public Buildings; Construction and Building Codes
Type: Original
Date: April 17, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
General Revenue	Unknown	Unknown	Unknown
Total Estimated Net Effect on <u>All</u> State Funds	Unknown	Unknown	Unknown

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

In response to similar legislation, officials from the **Blue Springs R-IV School District (BSSD)** assumed: 1) the proposal would produce revenue if a project was approved; 2) savings would be derived from successful award of grant funds to complete energysaving projects; 3) costs would not increase because participation is voluntary; and 4) costs could increase because of capability to accept best bid rather than lowest bid.

In response to similar legislation, officials from the **School District of Kansas City, Missouri** assume the proposed legislation would have no fiscal impact on their agency.

Officials from the **Office of Administration – Division of Design and Construction, Department of Higher Education, Department of Elementary and Secondary Education, Department of Health and Senior Services, University of Missouri, Truman State University, Central Missouri State University, and Southwest Missouri State University** assume the proposed legislation would have no fiscal impact on their agencies.

Officials from the **Department of Natural Resources** assume the proposed legislation would have no direct fiscal impact on their agency.

Oversight assumes the provision in the proposal that requires each guaranteed energy cost saving contract authorized pursuant to RSMo 8.235 to reduce estimated energy consumption by at least twelve percent or reduce the cost of energy and related savings by at least twelve percent will result in an unknown savings to General Revenue.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
GENERAL REVENUE FUND			
<u>Savings – (COA– Design & Construction)</u> Minimum 12% Energy Reduction in Guaranteed Energy Cost Saving Contracts	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>

FISCAL IMPACT - Local Government

FY 2003
(10 Mo.)

FY 2004

FY 2005

\$0

\$0

\$0

FISCAL IMPACT - Small Business

Small businesses that specialize in the area of energy cost savings could be positively impacted.

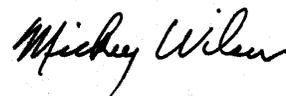
DESCRIPTION

This proposal would allow the Division of Design and Construction to contract for guaranteed energy cost savings. Contractors must be selected based on experience, capability, past performance and proximity of the firm. This proposal requires each guaranteed energy cost saving contract authorized pursuant to RSMo 8.235 shall reduce estimated energy consumption by at least twelve percent or reduce the cost of energy and related savings by at least twelve percent. This proposal expands the definition of schools to include state colleges and universities which makes them eligible to borrow money for energy conservation projects. This proposal also expands the length of loans made by the Department of Natural Resources for energy conservation projects to ten years if the useful life of the life of the conservation measure exceeds ten years. Currently, loans may be made for a maximum of eight years.

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

Office of Administration – Division of Design and Construction
Department of Natural Resources
Department of Higher Education
Department of Elementary and Secondary Education
Department of Health and Senior Services
University of Missouri
Central Missouri State University
Southwest Missouri State University
School District of Kansas City
Truman State University



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