

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4633-01
Bill No.: Perfected HB 1191
Subject: Natural Resources Department; Parks and Recreations; State Treasurer
Type: Original
Date: March 21, 2012

Bill Summary: This proposal changes sections relating to state parks.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
General Revenue	(\$66,000)	(\$52,000)	(\$37,000)
Total Estimated Net Effect on General Revenue Fund	(\$66,000)	(\$52,000)	(\$37,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
State Park Earnings Fund	\$66,000	\$52,000	\$37,000
Total Estimated Net Effect on <u>Other</u> State Funds	\$66,000	\$52,000	\$37,000

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on FTE	0	0	0

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).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Natural Resources (DNR)** assume this proposal authorizes the State Treasurer to deposit all monies in the State Parks Earnings Fund in any of the qualified depositories of the State.

Currently, interest generated from the State Parks Earnings Fund is deposited to General Revenue. This proposal would allow the State Parks Earnings Fund to retain the interest. Assuming an interest rate of 0.65%, and projected revenues and expenditures, projected interest retained is estimated at \$66,000 for FY 2013, \$52,000 for FY 2014 and \$37,000 for FY 2015.

Revenue into the State Parks Earnings (SPE) are derived from privileges, conveniences, concessionaire contracts and/or all money received by gifts, bequests, or contributions from county or municipal resources. Currently, interest received on these funds is deposited into the General Revenue Fund. This proposal allows interest to be maintained in the SPE Fund. No new fees or taxes are being requested under this legislation.

In response to a previous version of this legislation, officials from the **Office of Administration - Division of Budget and Planning (BAP)** assumed the proposal should not result in additional costs or savings to the division. BAP deferred to the Department of Natural Resources and the State Treasurer's Office for an estimate of the loss in revenues to the General Revenue Fund that would result from the measure's redirection of interest earnings away from the General Revenue Fund and into the State Park Earnings Fund.

Officials from the **Office of the State Treasurer** assume the current proposal would not fiscally impact their agency.

Amendment 1

Oversight assumes that this amendment adds The Renewable Energy Pilot Program for State Parks. DNR, in consultation with the Public Service Commission, shall develop and implement a pilot program in which renewable energy technology is used to operate a state park.

Officials from the DNR assume this proposal would create the Renewable Energy Pilot Program where the Department in consultation with the Public Service Commission (PSC) would develop and implement a pilot program in which renewable energy technology is used to operate a state park.

ASSUMPTION (continued)

DNR states, the PSC shall retain authority to regulate the rates and cost recovery for electric utilities under its jurisdiction that enter into a contractual agreement to provide renewable energy resources for the department. The department would also be allowed to contract with those electric utilities that are unregulated by the Commission.

DNR assumes, this proposal is a pilot program which would begin with the selection of a suitable state park by August 8, 2013 with a goal of achieving 100% renewable energy resources within the boundaries of the park using as many energy efficient products as possible. The proposal states that the goal of completing the pilot program would be August 28, 2018.

DNR states, beginning August 28, 2012, the department would be required to submit an annual report to the General Assembly if the goal of this proposal has not been met.

DNR states, the proposal would require the department to promulgate rules to implement the provisions of this legislation.

DNR states, the department assumes the General Assembly would have to appropriate funds to pay for energy efficiency measures and renewable energy for the pilot park program. It would be necessary to purchase renewable systems to install on-site or to purchase renewable energy credits (RECs) from electric utilities, if available. Renewably generated electricity cannot be directed to a particular site from the grid.

DNR states, for purposes of this fiscal note, the department assumes the fiscal impact to implement this proposal would include additional resources to conduct energy use studies; make recommendations on what technologies are needed; develop requests for proposals; and oversee contracts. In addition, the department would need sufficient resources to select, purchase, and install renewable energy sources, and on-going maintenance of the renewable resources. Costs would also include promulgating rules to implement the requirements of this legislation. The department's Division of Energy assumes they would request one (1) Energy Engineer II to implement this proposal.

The department's **Division of State Parks (DSP)** operates 85 state parks and historic sites in Missouri. The costs to implement the pilot program is unknown at this time due to the range of energy needs in Missouri's state parks and historic sites and the need for further assessment and analysis to determine the best site for the proposed pilot project.

DNR assumes no funding source is identified for the proposed pilot project; therefore for purposes of this fiscal note, the department assumes there would be an unknown fiscal impact to

ASSUMPTION (continued)

the General Revenue Fund to pay for the associated costs.

Oversight assumes this does not reflect the possibility of net metering by the park should there be excess energy credits. Also, in Section 640.950.3, the Department of Natural Resources could enter into a contract with the utility to provide for renewable energy resources for the department. This applies to those utilities regulated by the Commission as well as those electric utilities that are unregulated by the commission.

Oversight assumes the costs associated with the Renewable Energy Pilot Program would be offset from the savings on the renewable energy resources within the chosen Missouri State Park or Historical Site. If implementation costs exceed realized savings, DNR may request additional funding through the normal appropriation process.

In response to a similar proposal from this session, HB 1076, officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

In response to a similar proposal from this session, HB 1076, officials at the **Joint Committee on Administrative Rules** assumed the proposal would not fiscally impact their agency.

In response to a similar proposal from this session, HB 1076, officials at the **Public Service Commission** assumes there is no fiscal impact from this proposed legislation.

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
GENERAL REVENUE			
<u>Section 253.090</u>			
<u>Revenue</u> - Department of Natural Resources			
Loss of Interest Revenue	(\$66,000)	(\$52,000)	(\$37,000)
<u>Section 640.950</u>			
<u>Savings</u> - Department of Natural Resources			
Renewable Energy Pilot Program	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
<u>Cost</u> - Department of Natural Resources			
Renewable Energy Pilot Program	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$66,000)</u>	<u>(\$52,000)</u>	<u>(\$37,000)</u>
STATE PARK EARNINGS FUND			
<u>Revenue</u> - Department of Natural Resources			
Interest Revenue	<u>\$66,000</u>	<u>\$52,000</u>	<u>\$37,000</u>
ESTIMATED NET EFFECT ON STATE PARK EARNINGS FUND	<u>\$66,000</u>	<u>\$52,000</u>	<u>\$37,000</u>
 <u>FISCAL IMPACT - Local Government</u>			
	FY 2013 (10 Mo.)	FY 2014	FY 2015
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

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

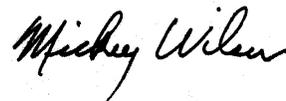
FISCAL DESCRIPTION

This proposal changes sections relating to state parks.

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 Natural Resources
Office of Administration
 Division of Budget and Planning
Office of the State Treasurer
Joint Committee on Administrative Rules
Public Service Commission
Office of the Secretary of State



Mickey Wilson, CPA
Director
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