COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5411-01
Bill No.: HB 1487
Subject: Energy; Environmental Protection; Public Service Commission; Utilities
Type: Original
Date: February 3, 2012

Bill Summary: This proposal modifies provisions relating to renewable energy.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on General Revenue Fund	**$0**	**$0**	**$0**

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Agricultural Energy Fund*	$0	$0	$0
Total Estimated Net Effect on Other State Funds*	**$0**	**$0**	**$0**

***Offsetting income and expenses are $100,000 to $112,500 in FY 13 and $200,000 to $225,000 annually thereafter.**
Numbers within parentheses: ( ) indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on All 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 Economic Development - Public Service Commission** and **Office of Public Counsel, Department of Revenue, Office of State Treasurer,** and the **State Tax Commission** anticipate no fiscal impact as a result of the proposed legislation on their respective agencies.

Officials from the **Joint Committee on Administrative Rules (JCAR)** stated this proposed legislation is not anticipated to cause a fiscal impact to JCAR beyond its current appropriation.

According to officials from the **Office of Secretary of State (SOS)**, many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the proposal. 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.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal with core funding. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Department of Natural Resources (DNR)** assume the assessment proposed in §393.1039 will generate approximately $200,000 to $225,000 per year. DNR would use these funds to promote, encourage and develop biomass energy projects in the state through a variety of methods, to be determined based on developing markets and emerging technologies: educational opportunities, grants for feasibility studies, grants for pilot biomass projects, administrative costs to perform duties associated with §393.1039, etc.

FISCAL IMPACT - State Government	FY 2013 (6 Mo.)	FY 2014	FY 2015
AGRICULTURAL ENERGY FUND			
Income - Department of Natural Resources (DNR) - Assessments (§393.1039)	$100,000 to $112,500	$200,000 to $225,000	$200,000 to $225,000
Expenses - DNR - Biomass energy projects (§393.1039)	($100,000 to $112,500)	($200,000 to $225,000)	$200,000 to $225,000)
ESTIMATED NET EFFECT ON AGRICULTURAL ENERGY FUND	**$0**	**$0**	**$0**

FISCAL IMPACT - Local Government	FY 2013 (6 Mo.)	FY 2014	FY 2015
	$0	**$0**	**$0**

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This proposal requires the Department of Natural Resources to annually assess utilities an amount not to exceed .005 of 1% of its annual intrastate operating revenues starting in 2013 to be deposited into the newly created Agricultural Energy Fund which must be used solely to pay for the department's expenses in encouraging and developing biomass energy projects in Missouri.

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

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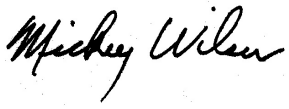
SOURCES OF INFORMATION

Department of Economic Development
Public Service Commission
Office of Public Counsel
Department of Natural Resources
Department of Revenue
Joint Committee on Administrative Rules
Office of Secretary of State
Office of State Treasurer
State Tax Commission



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February 3, 2012

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