

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1828-01
Bill No.: HB 1038
Subject: Energy; Compacts
Type: Original
Date: April 23, 2013

Bill Summary: This proposal enacts the Energy Compact to return authority for energy regulation to the states.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
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 2014	FY 2015	FY 2016
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§ 18.100 - Energy Compact:

Officials from the **Department of Natural Resources (DNR)** state this proposal would amend Chapter 18 to enact an Energy Compact between this state and any other state joining therein in accordance with the terms of the Compact.

DNR states subsection 4(a) would prohibit Member States from suspending any provision of the Federal Clean Air Act or any other Federal law that regulates air quality within that Member State but a Member State may suspend, by legislation, the operation of any Federal agency rule adopted under the Federal Clean Air Act or under any other Federal statute that regulates air quality within that Member State.

DNR assumes section 4(b) of this proposal as authorizing the State of Missouri, as a Member State of the Energy Compact, to suspend federal rules adopted under the Clean Air Act. The suspension could only be overturned by Congress through a joint resolution approving such federal rule.

DNR states to maintain Missouri's delegation agreement with Environmental Protection Agency (EPA), the Air Program is required to keep the state's air rules updated consistent with federal air rules, issue air permits to sources in accordance with federal requirements, and enforce those requirements in the state. If the state were to suspend federal air rules, the EPA could exercise its authority to take over air permitting and enforcement activities in Missouri.

DNR assumes an unknown fiscal impact from this proposal.

Oversight assumes this proposal will not become effective unless the Energy Compact is adopted by two or more states and approved by Congress.

Oversight assumes this proposal has no direct fiscal impact on federal, state, or local government funds unless the Energy Compact is approved by another state and Congress.

Officials from the **Office of Administration - Division of Facilities Management Design and Construction, Department of Labor and Industrial Relations, and Office of Governor** each assume the proposal would not fiscally impact their respective agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

§ 18.100 - Energy Compact:

Small businesses seeking to construct new or modify/expand existing operations may have to seek appropriate air permits directly from the EPA, this could result in a direct fiscal impact to small businesses.

FISCAL DESCRIPTION

The proposed legislation appears to have no direct fiscal impact.

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
Department of Labor and Industrial Relations
Office of Administration
Office of Governor



Ross Strope
Acting Director

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