

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0467-03
Bill No.: HCS for SCS for SB 54
Subject: Natural Resources Dept.; Public Service Commission
Type: Original
Date: April 19, 2007

Bill Summary: Creates renewable energy targets for electric.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
General Revenue	(\$5,000)	(\$5,150)	(\$5,304)
Total Estimated Net Effect on General Revenue Fund	(\$5,000)	(\$5,150)	(\$5,304)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Solid Waste Management Fund	\$0	\$20,678	\$20,678
Total Estimated Net Effect on Other State Funds	\$0	\$20,678	\$20,678

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
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 2008	FY 2009	FY 2010
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Economic Development - Public Service Commission** and **Department of Natural Resources** assume the proposal will not fiscally impact their agency.

Section 260.200

Officials from the **Department of Health** assume no fiscal impact to their agency.

Officials from the **Department of Natural Resources** assume this proposal would require the department to consider alternative designs for bio reactor landfills on a pilot basis that meet the criteria outlined in this proposal. This proposal requires the department to expedite the processing and issuing of permits for a bio reactor landfill on a pilot basis in the City of Columbia.

According to the **City of Columbia**, they collect approximately 10,000 tons of yard waste annually. If this tonnage was disposed of in a bio reactor landfill, then the department could receive approximately \$20,678 (10,000 x \$2.11 less 2% handling charge) in additional tonnage fees annually beginning in fiscal year 2009.

Section 414.420

Officials from the **Missouri Senate** and **Missouri House of Representatives** assume no fiscal impact to their agencies.

Officials from the **Department of Agriculture (AGR)** assume this proposal requires the MDA to reimburse commission members for their expenses, which will cost approximately \$500 per meeting. The commission is required to meet at least four times annually. Although the Alternative Fuel Commission in effect replaces the Missouri Ethanol and Other Renewable Fuel Sources Commission (MEORFSC), the MEORFSC has not met regularly in many years and the \$5,000 GR originally appropriated to cover the expenses of the MEORFSC was taken as a core reduction in the AGR's budget several years ago.

Section 643.079

Officials from the **Department of Natural Resources, Department of Revenue** and **Department of Transportation** assume no fiscal impact to their agency.

ASSUMPTION (continued)

Section 1

Officials from the **Office of Administration - Division of Budget & Planning and Division of General Services** assume the proposal should not result in additional costs or savings to the Division of Budget and Planning. However, the bill does impact the Office of Administration.

We consulted OA Division of General Services on Section 1 of the HCS, regarding the state vehicle fleet. Currently Chapter 414 requires fifty percent of eligible vehicle purchases to be qualified alternative fuel vehicles. Assuming this language refers to the state's passenger vehicle fleet there should be no additional cost to the state. Currently, flex fuel vehicles are available on statewide contract for most vehicle classes.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
GENERAL REVENUE			
<u>Cost</u> - Department of Agriculture Equipment & Expense	<u>(\$5,000)</u>	<u>(\$5,150)</u>	<u>(\$5,304)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$5,000)</u>	<u>(\$5,150)</u>	<u>(\$5,304)</u>
SOLID WASTE MANAGEMENT FUND			
<u>Revenue</u> - Tonnage Fees	<u>\$0</u>	<u>\$20,678</u>	<u>\$20,678</u>
ESTIMATED NET EFFECT ON SOLID WASTE MANAGEMENT FUND	<u>\$0</u>	<u>\$20,678</u>	<u>\$20,678</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Yes. All electrical corporations would be required to make a good faith effort to generate renewable energy technologies. The objective of the legislation is to ensure that by 2012, 3% of electrical energy is generated by renewable energy technologies, increasing to 7% by 2015, and 10% generated by eligible renewable technologies by 2020.

Electrical suppliers would be required to provide documentation to the Department and the Public Service Commission demonstrating good faith efforts to reach the goal of renewable energy use.

FISCAL IMPACT - Small Business (continued)

Section 260.200

Businesses that use wood waste to make a product such as compost or mulch could be impacted if they rely on yard waste as feedstock.

Section 414.420

Probably a positive economic impact. The committee is charged with making recommendations to facilitate the sale and distribution of alternative fuels, which are produced primarily from renewable agricultural products. Increased production and consumption of these alternative fuels will most likely lead to increased agricultural production and higher prices paid for the fuel feedstock, thereby benefiting Missouri farmers and farm suppliers.

FISCAL DESCRIPTION

The proposed legislation appears to have no fiscal impact.

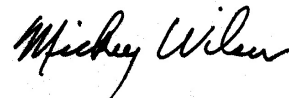
Section 414.420

The proposed legislation appears modify the Missouri Ethanol and Other Renewable Fuel Sources Commission and could have require the reimbursement of member expenses.

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 Economic Development -
 Public Service Commission
Department of Natural Resources
Department of Health
Missouri Senate
Missouri House of Representatives
Office of Administration
 Division of Budget & Planning
 Division of General Services



Mickey Wilson, CPA
Director
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