

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3054-07
Bill No.: Truly Agreed To and Finally Passed CCS No. 2 for HCS for SCS for SB 720
Subject: Disabilities: Elderly; Public Assistance; Utilities
Type: Original
Date: May 29, 2008

Bill Summary: Creates a hot weather rule for maintenance of utility service; Gives the Public Service Commission authority to give permission and approval after the construction or acquisition of any electric plant has been completed in certain counties; Raises the Utilicare cap per household from \$600 to \$800 per year; Creates the Manufacturer Responsibility and Consumer Convenience Equipment Collection and Recovery Act.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
General Revenue	\$0 to (\$3,600,000)	\$0 to (\$3,600,000)	\$0 to (\$3,600,000)
Total Estimated Net Effect on General Revenue Fund	\$0 to (\$3,600,000)	\$0 to (\$3,600,000)	\$0 to (\$3,600,000)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 9 pages.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Hazardous Waste Fund	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)
Utilicare Stabilization Fund	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds*	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
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 2009	FY 2010	FY 2011
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Secretary of State (SOS)** assume 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 to the SOS office for Administrative Rules for this proposal is less than \$2,500. The SOS recognizes this is a small amount and does not expect additional funding would be required to meet these costs. However, SOS also recognizes that many such bills may be passed in a given year and that collectively the costs may be in excess of what the SOS can sustain with their core budget. Any additional required funding would be handled through the budget process.

§260.1050 through 260.1101 - Manufacturer Responsibility and Consumer Convenience Equipment Collection and Recovery Act

Officials from the **Department of Agriculture** and **Department of Economic Development** assume no fiscal impact to their respective agencies.

Officials from the **Department of Natural Resources (DNR)** assume they would be responsible for the implementation of the Manufacturer Responsibility and Consumer Convenience Computer Equipment Collection and Recovery Act. DNR requirements include:

Consumer Education – DNR would be required to educate consumers regarding the collection and reuse of computer equipment. This includes establishing and maintaining an internet site to provide information on recycling and reuse of computer equipment including manufactures’ recycling programs and recovery plans and computer equipment collection events.

Audits and Inspections – To assure compliance with the proposal, DNR would have the authority to conduct audits and inspections.

Enforcement – The proposal would require DNR to take enforcement action against any manufacturer, retailer, or person who recycles or reuses computer equipment for failure to comply with the requirements of the legislation.

ASSUMPTION (continued)

Reporting – DNR would be required to compile information from manufacturers and issue an electronic report to the House and Senate committees having jurisdiction over environmental matters.

Computer Recycling Subaccount – This subaccount would be created within the Hazardous Waste Fund. Management of the fund including the depositing of the funds and tracking the interest will be need to be conducted.

DNR would request one (1) Planner II FTE to conduct the activities required by this proposal.

Under the proposed legislation, DNR cannot impose a fee, including a recycling fee or registration fee, on consumer, manufacturer, retailer, or person who recycles, or reuses computer equipment. DNR may impose a penalty to be deposited to the “Computer Recycling Subaccount created in the Hazardous Waste Fund. Monies deposited in the subaccount may only be used for the administration of the proposal.

Oversight assumes if costs of administration related to this part of the proposal exceed income from penalties, additional funding can be requested during the normal budgetary process.

Officials from the **Office of Attorney General** did not respond to a request for fiscal note. **Oversight** assumes that any potential costs arising from this proposal can be absorbed with existing resources and that if additional resources become necessary, a request can be made through the regular budgetary process.

§393.108 - Hot weather rule for maintenance of utility service

Officials from the **Department of Economic Development - Office of Public Counsel** and the **Department of Health and Senior Services** state there will be no fiscal impact on their respective agencies.

According to the **Department of Social Services - Family Support Division (FSD)**, their agency contracts with Missouri Community Action Agencies for eligibility determination and outreach. The agencies currently work with the Public Service Commission and the regulated utilities to provide information and assistance during the "cold weather rule". It is assumed the FSD and the agencies would continue the same partnership with the regulated utilities during the months the "hot weather rule" would be in effect. There is no fiscal impact on the FSD.

ASSUMPTION (continued)

According to officials from the **Department of Economic Development - Public Service Commission (PSC)**, this proposal requires a program that involves agency investigation of informal and possibly formal claims of violations of "state statutes, policies and procedures". The PSC receives informal and formal consumer complaints that may involve such claims as violation of a "hot weather rule", and therefore the activities of its consumer services department would be affected. The proposal requires temperature requirements that will involve creation of a daily log of temperature predictions and the need to establish cooling degree day data and tracking for the purpose of reviewing consumer informal or formal complaints on bill disputes or discontinuance of service for non-payment. Because the PSC has not had any experience with a hot weather rule and its application or impact on Missourians, PSC officials are using the PSC's experience with the "cold weather rule" as a basis for the state fiscal impact. Accordingly, a "hot weather rule" would likely require at least one additional Consumer Services Specialist II that would handle investigation of consumer complaints with utility and customer, prepare correspondence, and prepare staff reports and testimony in connection with complaints. PSC officials note that the current caseload backlog has resulted in an age in excess of 30 days per case on average.

Oversight assumes that personnel who handle the "cold weather rule" could perform the duties required during the "hot weather rule" alternate season. If additional personnel are needed, they can be requested through the budget process.

§393.171 - PSC permission for approval of construction of facility after construction has begun or has been completed

Officials from the **Department of Economic Development - Public Service Commission** and **Office of Public Counsel** state this proposal will have no fiscal impact on their respective agencies.

§660.115 & 660.135 - Utilicare

Officials from the **Department of Natural Resources** and the **Department of Economic Development - Public Service Commission and Office of Public Counsel** assume this portion of the act has no fiscal impact on their respective agencies.

Officials from the **Department of Social Services - Family Support Division** assume that if appropriations remain the same, raising the amount per family from \$600 to \$800 would mean that fewer families would be served. However, since the bill removes the cap and allows

ASSUMPTION (continued)

appropriations to be increased, the fiscal impact is zero to unknown, depending on appropriations.

Officials from the **Division of Budget and Planning (BAP)** assume the proposed legislation should not result in additional costs or savings to the BAP.

As a result of the cost-of-living increases, the Utilicare supplemental appropriation for FY08 is \$6,440,785. The proposed legislation would be subject to appropriation but could cost between \$0 and \$3.6 million annually. In addition, the provision for the cost-of-living increases remains in statute and could add from \$0 up to seven percent above the \$10 million cap in each subsequent year.

<u>FISCAL IMPACT - State Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
GENERAL REVENUE			
<u>Cost - Department of Social Services - Utilicare Stabilization Fund(\$660.135)</u>	\$0 to <u>(\$3,600,000)</u>	\$0 to <u>(\$3,600,000)</u>	\$0 to <u>(\$3,600,000)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$0 to \$3,600,000)</u>	<u>(\$0 to \$3,600,000)</u>	<u>(\$0 to \$3,600,000)</u>
HAZARDOUS WASTE FUND			
<u>Income - Department of Natural Resources - Penalty collections (\$260.1074)</u>	Unknown	Unknown	Unknown
<u>Cost - DNR - Administration costs of Manufacturer Responsibility and Consumer Convenience Equipment Collection and Recovery Act (\$260.1074)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET IMPACT ON HAZARDOUS WASTE FUND	<u>Unknown to (Unknown)</u>	<u>Unknown to (Unknown)</u>	<u>Unknown to (Unknown)</u>

<u>FISCAL IMPACT - State Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
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UTILICARE STABILIZATION FUND

<u>Transfer In - General Revenue (\$660.135)</u>	Unknown	Unknown	Unknown
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<u>Disbursements - Department of Social Services - Energy assistance</u>	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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ESTIMATED NET EFFECT ON UTILICARE STABILIZATION FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

Small manufacturers of computer equipment may incur additional administrative expenses to comply with provisions of the Manufacturer Responsibility and Consumer Convenience Equipment Collection and Recovery Act.

FISCAL DESCRIPTION

§260.1050 through 260.1101 - Manufacturer Responsibility and Consumer Convenience Equipment Collection and Recovery Act.

This act creates the Manufacturer Responsibility and Consumer Convenience Equipment Collection and Recovery Act.

The bill requires manufacturers of computers to implement "recovery plans" for the collection of and the recycling or reuse of their obsolete equipment. The recovery plan must be implemented and a copy of the plan submitted to the Department of Natural Resources (DNR) before the manufacturer can sell its computers in Missouri. Such manufacturers must also label their equipment to identify themselves as the manufacturer.

FISCAL DESCRIPTION (continued)

Requirements for the recovery plan and reporting by computer manufacturers are listed in the bill. Retailers are prohibited from selling new computers in Missouri unless the equipment contains a manufacturer's label and the manufacturer is listed by DNR as having a recovery plan.

DNR shall educate consumers about the recycling and reuse of computers and shall provide a website for this purpose, which shall include a list of manufacturers' recovery plans as well as dates and locations for collection opportunities.

The bill provides enforcement authority to DNR and the Attorney General, which includes the authority to assess penalties for manufacturers for certain violations not to exceed \$10,000 for second violations, and not to exceed \$25,000 for subsequent violations.

DNR shall promulgate rules by July 1, 2009 to implement this act and the act shall not be enforced until the Department's rules are promulgated. Retailers shall not be considered in violation of the bill for selling computers acquired prior to August 28, 2008.

§393.108 - Hot Weather Rule

The act establishes a hot weather rule during the time period from June 1st to September 30th. During this time, natural gas or electricity providers are prohibited from disconnecting service to residential customers on days when either the temperature is expected to rise above 95 degrees or the heat index is expected to rise above 105 degrees for the following twenty-four hour period or on days when service personnel will not be available to reconnect service and the temperature or heat index is expected to rise above these marks.

§660.115 & 660.135 - Utilicare

The act increases the maximum amount, from \$600 to \$800 per year, that may be paid from the Utilicare Stabilization Fund to providers of heating or cooling on behalf of eligible households. The act removes the \$5 million cap on the annual appropriation to the Utilicare Stabilization Fund, instead making it simply subject to appropriations each fiscal year. The act makes it mandatory, rather than discretionary, that the Department of Social Services apply a portion of the funds appropriated to the Utilicare Stabilization Fund to the Low-Income Weatherization Assistance Program.

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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Page 9 of 9

May 29, 2008

SOURCES OF INFORMATION

Department of Economic Development

Public Service Commission

Office of Public Counsel

Office of Attorney General

Department of Social Services

Family Support Division

Office of Administration

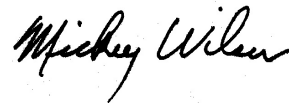
Division of Budget and Planning

Office of Secretary of State

Administrative Rules Division

Department of Agriculture

Department of Health and Senior Services



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