

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1608-03
Bill No.: SCS for SB 299
Subject: Energy; Political Subdivisions; Public Service Commission; Utilities
Type: Original
Date: April 6, 2009

Bill Summary: Modifies provisions related to rates charged by natural gas corporations and provisions of Utilicare assistance

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
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 2010	FY 2011	FY 2012
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
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 2010	FY 2011	FY 2012
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

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 divisions.

Officials from the **Department of Social Services - Family Support Division (FSD)** state that §660.110 and 660.115 add an eligibility requirement to eligible households receiving regular and crisis intervention assistance for heating and cooling to make a matching payment of at least one hundred dollars or twenty-five percent of the amount of the energy assistance being provided, whichever is greater.

FSD administers the Low Income Home Energy Assistance Program funds for the state of Missouri under the guidance of the Federal Low-Income Home Energy Assistance Act of 1981. FSD believes these proposed eligibility requirements are not allowed within the Federal Statute.

The federal statute does not provide for denying coverage to these groups of individuals based on not meeting a cost-sharing requirement. Federal Statute Section 2605 (5) also requires the state to provide benefits in a timely manner and that the highest level of assistance will be furnished to those households which have the lowest incomes and the highest energy costs or needs in relations to income.

Federal Statute Sections 2604 (c) 1 and 2 state that programs that provide energy crisis intervention programs shall no later than 48 hours after a household applies for energy crisis benefits, provide some form of assistance that will resolve the energy crisis if such household is eligible to receive such benefits; and no later than 18 hours after a household applies for crisis benefits, provide some form of assistance that will resolve the energy crisis if such household is eligible to receive such benefits and is in a life-threatening situation. FSD feels this time frame will not be met under the recommended changes, thus placing the program in threat of not being in compliance.

§660.115.2 adds an eligibility requirement that households that receive a direct payment (landlord/renter situations) must make a matching payment equal to the amount of the energy assistance benefit. This requirement is out of compliance with Federal Statute Section 2605 (8) stating the State will treat owners and renters equitably.

DOS-FSD officials state that fiscal impact is unknown. Non compliance with federal statute could lead to sanctioned amounts. Requirements placed in the State's plan that do not meet

ASSUMPTION (continued)

federal guides could result in the plan to be denied and funding not to be awarded.

Oversight assumes the concern regarding non compliance with federal statute is speculative and for fiscal purposes only, will assume no fiscal impact.

Officials from the **Little Blue Valley Sewer District** state this proposal does not affect their district.

Officials from the **Public Water Supply District No. 3 of Cole County** responded to a request for fiscal note and did not indicate a negative impact.

<u>FISCAL IMPACT - State Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
	<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.

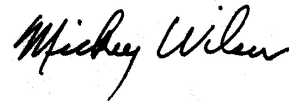
FISCAL DESCRIPTION

The proposed legislation appears to have no 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 Economic Development
 Public Service Commission
 Office of Public Counsel
Department of Social Services
 Family Support Division
Local Political Subdivisions
 Public Water Supply District No. 3 of Cole County
 Little Blue Valley Sewer District



Mickey Wilson, CPA
Director
April 9, 2009