

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0843-05
Bill No.: Truly Agreed To and Finally Passed SS for SCS for HB 142
Subject: Natural Resources Department; Public Assistance; Public Service Commission; Utilities
Type: Original
Date: June 5, 2013

Bill Summary: This proposal modifies provisions relating to utilities.

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
Blind Pension Fund	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
Total Estimated Net Effect on Other State Funds	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 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 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

FISCAL ANALYSIS

ASSUMPTION

§137.100 - Tax Exemption for Solar Systems

Officials from the **Office of Administration - Division of Planning (BAP)** assume this section exempts, from property taxation, solar energy systems not for resale. The definition of “solar energy systems” is unclear, so BAP assumes this may exempt property that is already installed. To the extent that local political subdivisions cannot increase their levies, local revenues may be reduced, including those for schools. Blind Pension Fund revenues (and also Total State Revenues) may be reduced.

Oversight has no information on the number of such installations or the assessed valuation currently assigned to those installations, and will indicate a \$0 or (Unknown) reduction in property tax revenue.

§393.760 - Bond Issuance by Contracting Municipalities

This section modifies the process regarding elections for the issuance of bonds.

Officials from the **Kansas City Election Board** state that the cost to conduct a one-issue, city-wide election in the Kansas City portion of Jackson County would be approximately \$350,000 to \$400,000.

According to officials from the **Platte County Board of Elections**, there would be no direct costs to the Platte County Board of Elections.

There would be costs for the election for the District conducting an election. Costs per election would range from \$50,000 to \$60,000, depending upon the number of other participants involved in the election, as costs would be pro-rated based upon the number of registered voters within each district

Oversight assumes the proposal does not call for additional elections and will assign no fiscal impact for elections in local political subdivisions.

In response to the Senate Substitute for the SCS for this bill, officials from the **Office of Secretary of State (SOS)**, assumed many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act.

ASSUMPTION (continued)

The SOS's office 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 Secretary of State's office for Administrative Rules is less than \$2,500. SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what their office can sustain with their core budget. Therefore, SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

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.

Also in response to the SS for the SCS for this bill, officials from the **Missouri State Tax Commission** assumed no fiscal impact.

Officials from the **Office of Administration - Division of Budget and Planning, Office of Attorney General, Department of Economic Development - Public Service Commission and Office of Public Counsel, Department of Natural Resources, Department of Revenue, Department of Social Services, Joint Committee on Administrative Rules, and the Metropolitan St. Louis Sewer District** 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
BLIND PENSION FUND			
<u>Revenue Reduction</u> - Property tax exemption (§137.100)	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>
ESTIMATED NET EFFECT ON BLIND PENSION FUND	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
LOCAL POLITICAL SUBDIVISIONS			
<u>Revenue Reduction</u> - Local political subdivisions - Property tax exemption (§137.100)	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

§137.100 - TAX EXEMPTION FOR SOLAR SYSTEMS

The bill adds solar energy systems not held for resale to the tax exempt property under §137.100.

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

Office of Attorney General
Department of Economic Development
 Public Service Commission
 Office of Public Counsel
Office of Administration
 Division of Budget and Planning
Department of Natural Resources
Department of Revenue
Department of Social Services
Joint Committee on Administrative Rules
Office of Secretary of State
 Administrative Rules Division
Missouri State Tax Commission
Election Boards
 Kansas City Election Board
 Platte County Board of Elections
Metropolitan St. Louis Sewer District



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