

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0994-01
Bill No.: SB 169
Subject: Civil Penalties; Corporations; Energy; Liability; Public Service Commission; Utilities
Type: Original
Date: February 18, 2019

Bill Summary: This proposal modifies the civil penalty for violating federally mandated natural gas safety standards.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Local Government	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Economic Development (Division of Energy, Public Service Commission, Office of Public Counsel)**, the **Department of Transportation**, the **Attorney General’s Office**, the **Office of the State Courts Administrator** and **Springfield Utilities** each assume the proposal will have no fiscal impact on their respective organizations.

Oversight notes that the above mentioned agencies have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note.

Oversight assumes this proposal increases the penalty for any person who violates federally mandated natural gas safety standards. According to the Department of Economic Development, there are typically 1-2 incidents each year. Secured penalties from these cases are distributed annually to the schools in Missouri.

Oversight assumes this proposal may result in an increase in revenue (depending upon the penalties assessed) and will reflect a potential unknown income to local school districts.

<u>FISCAL IMPACT - State Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
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LOCAL SCHOOL DISTRICTS

<u>Revenue</u> Increased penalty for violating federally mandated natural gas safety standards	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>
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ESTIMATED NET EFFECT TO LOCAL SCHOOL DISTRICTS	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>
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FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

Current law sets forth maximum civil penalties for any corporation, person, public utility, or municipality that owns any gas plant that violates any law, order, decision, decree, rule, direction, demand, or requirement of the Public Service Commission relating to federally mandated natural gas safety standards. This act repeals such penalties and instead states that violations of such standards shall be subject to a civil penalty not to exceed an amount as determined by the U.S. Secretary of Transportation pursuant to federal regulations

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
 Division of Energy
 Public Service Commission
 Office of Public Counsel
Department of Transportation
Attorney General's Office
Office of the State Courts Administrator
Springfield Utilities



Kyle Rieman
Director
February 18, 2019

Ross Strobe
Assistant Director
February 18, 2019