

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4796-01
Bill No.: SB 852
Subject: Cooperatives; Telecommunications; Utilities
Type: Original
Date: March 3, 2020

Bill Summary: This proposal allows certain corporations to organize under the General and Business Corporation Law of Missouri to supply telephone and telecommunication services in rural areas.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Public Service Commission (0607)	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
Total Estimated Net Effect on <u>Other</u> State Funds	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
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 2021	FY 2022	FY 2023
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the Secretary of State** assume no fiscal impact to their organization.

Officials from the **Department of Commerce & Insurance-Public Service Commission (PSC)** assume the fiscal impact is dependent upon whether registration would be required with the PSC. The PSC is funded by an assessment on Commission-regulated public utilities pursuant to Section 386.370 RSMo, and not by any state general appropriations. Depending on the cumulative effect of all PSC-impacting legislation passed in the current session and the associated increased costs associated with that legislation to the PSC, the PSC may need to request an increase in our appropriation authority and/or FTE allocation as appropriate through the budget process.

Oversight notes that the proposal is unclear whether registration or certification with PSC is needed under this section in accordance with Chapter 286 and 392 requirements related to registration or certification to transact business in Missouri, PSC assessment, universal service funding, Relay Missouri, etc. Therefore, Oversight will reflect a zero or unknown cost to the Public Service Commission Fund. (PSC Fund balance as of February 28, 2020 was \$4,431,341.

Officials from the **Office of Administration-Budget and Planning** and **Department of Revenue** each assume the proposal will have no fiscal impact on their organization.

Oversight notes that the Office of the Secretary of State, Office of Administration-Budget and Planning, and Department of Revenue 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.

<u>FISCAL IMPACT - State Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
PUBLIC SERVICE COMMISSION FUND			
<u>Cost - DCI - PSC/OPC</u>	\$0 or	\$0 or	\$0 or
Registration or Certification	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON PUBLIC SERVICE COMMISSION FUND (0607)	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
	<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

Under this act, any cooperative, nonprofit, member corporations may be organized under The General and Business Corporation Law of Missouri for the purpose of supplying telephone and telecommunications service in rural areas.

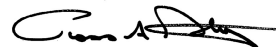
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Commerce & Insurance-PSC/OPC
Office of the Secretary of State
Department of Revenue
Office of Administration-B&P



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Director
March 3, 2020



Ross Strope
Assistant Director
March 3, 2020