

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3741S.04S
 Bill No.: CCS for HCS for SB 820
 Subject: Cooperatives; Corporations; Easements and Conveyances; Economic Development, Department of; Emergencies; Eminent Domain and Condemnation; Energy; Environmental Protection; Federal-State Relations; Housing;
 Type: Original
 Date: May 10, 2022

Bill Summary: This proposal modifies provisions relating to utilities.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
General Revenue	(Unknown, could exceed \$7,748,556)	(Unknown, could exceed \$13,191,847)	(Unknown, could exceed \$8,363,293)
Total Estimated Net Effect on General Revenue	(Unknown, could exceed \$7,748,556)	(Unknown, could exceed \$13,191,847)	(Unknown, could exceed \$8,363,293)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
School District Trust Fund	(\$1,849,680) – (\$2,473,520)	(\$1,849,680) – (\$2,473,520)	(\$1,849,680) – (\$2,473,520)
Parks & Soil Funds (613 & 614)	(\$184,968) – (\$247,352)	(\$184,968) – (\$247,352)	(\$184,968) – (\$247,352)
Conservation Fund (0609)	(\$231,210) – (\$309,190)	(\$231,210) – (\$309,190)	(\$231,210) – (\$309,190)
Missouri Broadband Development Fund	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
Missouri Disaster Fund (0663)*	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	(Unknown, less than \$3,030,062)	(Unknown, less than \$3,030,062)	(Unknown, less than \$3,030,062)

Numbers within parentheses: () indicate costs or losses.

*Oversight notes the above fund will net to zero under Section §44.032.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Federal Funds*	(\$300,000)	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	(\$300,000)	\$0	\$0

*The Department of Natural Resources – Division of Energy is required to oversee the distributed energy resources study (estimated to cost \$300,000), which is to be paid for through funds available from federal and state grants. DNR states two potential, but uncertain funding possibilities exist. DNR-DE has federal funds associated with a previous grant in a revolving loan fund that can potentially be repurposed for use to pay the contractor. Also, funds available from the Infrastructure Investment and Jobs Act (IIJA) could be used. **Oversight** will assume federal funding will be available.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
General Revenue Fund	1 FTE	1 FTE	1 FTE
Total Estimated Net Effect on FTE	1 FTE	1 FTE	1 FTE

- Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Local Political Subdivisions	(\$7,454,210 - \$9,968,286)	(\$7,454,210 - \$9,968,286)	(\$7,454,210 - \$9,968,286)

FISCAL ANALYSIS

ASSUMPTION

Oversight was unable to receive some of the agency responses in a timely manner due to the short fiscal note request time. Oversight has presented this fiscal note on the best current information that we have or on prior year information regarding a similar bill. Upon the receipt of agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval to publish a new fiscal note.

§44.032 – Missouri Disaster Fund for Rural Electric cooperatives

In response to the similar proposal, HCS for HB 2328 (2022), officials from the **Department of Public Safety - State Emergency Management Agency (SEMA)** assumed the proposal will have no fiscal impact on their organization. Per a conversation with the USACE, there is no emergency dredge on the Missouri River. There is only one emergency dredge on the Mississippi River that is an asset of the USACE and it is not for lease. There is no avenue to enter into a contract to lease dredging equipment from the USACE for flood prevention.

There will be a fiscal impact in regard to §44.032 that could require a substantial amount of General Revenue. While there has been ongoing discussions regarding obligation of funds for the “Missouri Disaster Fund”, there is currently no General Revenue obligated to the fund.

SEMA states that Missouri just received a new Major Presidential Disaster Declaration, FEMA-4636-DR-MO, for severe storms and tornadoes that occurred on December 10, 2021. The declaration is for seven counties and has eight applicants. Seven of the eight applicants are Rural Electric Coops (REC’s). FEMA has estimated the disaster damages for DR 4636 at \$27.3 million. All of the \$27.3 million in estimated damages belong to the REC’s with the exception of \$63,000, which is road and debris damage in Reynolds County.

SEMA states the HCS would allow the REC’s, per statute, to receive state general revenue funds from SEMA for damages incurred due to storm events during response/recovery efforts. If the storm event became a federally declared disaster, it is possible that SEMA could receive reimbursement from FEMA at a 75% federal cost share with the state paying the 25% non-federal cost share. If the storm event did not meet the criteria to be a federally declared event, the state would have to pay the full 100% out of state general revenue with no avenue for reimbursement.

Oversight assumes, based on SEMA’s response, that General Revenue funds will be used to cover expenses under §44.032. **Oversight** will reflect a \$0 to (Unknown, Greater than \$250,000) impact to General Revenue and will assume that expenses to the Missouri Disaster Fund will equal the amount transferred in from General Revenue and net to zero. Oversight notes as of February 2022, the balance in the Missouri Disaster Fund is \$638,477.

In response to a previous version, officials from the **Department of Commerce and Insurance**, the **Department of Economic Development**, the **Department of Natural Resources**, the **Missouri Department of Conservation**, the **Office of Administration**, the **Hughesville Water/Wastewater**, the **Little Blue Valley Sewer District**, and the **Wayne County PWS #2**, each assume the proposal will have no fiscal impact on their respective organizations.

The **Morgan County PWS #2** responded to the legislation but did not provide a fiscal impact.

Oversight does not have any information to the contrary. Therefore, **Oversight** will reflect a zero impact in the fiscal note for the abovementioned entities for this section.

Oversight only reflects the responses received from state agencies and political subdivisions; however, other electric companies and cooperatives and utilities were requested to respond to this proposed legislation but did not. A general listing of political subdivisions included in the Missouri Legislative Information System (MOLIS) database is available upon request.

§144.030. 2. (46) Solar Photovoltaic Energy Equipment Exemption

In response to the similar proposal, HCS for HB 2637 (2022), officials from the **Department of Natural Resources** defer to the **Department of Revenue** for the potential fiscal impact of this proposal.

Officials from the **Department of Revenue (DOR)** notes this creates a new state and local sales and use tax exemption for companies that purchase a solar photovoltaic energy system and the supplies need to support it. This is expected to go into effect August 28, 2022.

This exemption would be available to a company who constructs a system that is sold or leased to an end user or is used to produce, collect and transmit electricity of resale or retail. So this would allow the state and local sales tax exemption to apply to residential solar systems, community solar systems and utility scale solar systems.

The state sales tax is 4.225% and is distributed as shown below. For fiscal note purposes, DOR uses a 4.03% weighted average for the local sales tax rate.

General Revenue is	3.000%	
School District Trust Fund is	1.000%	(Section 144.701)
Conservation Commission Fund is	0.125%	(Article IV, Section 43(a))
Parks, Soil & Water Funds	0.100%	(Article IV, Section 47(a))
Local	4.030%	

Based on data published by the Solar Energy Industries Association (SEIA), Missouri has 361.6MW of current solar capacity and they project another 937MW coming online in the next five years. Based on data published by the U.S. Energy Information Administration (EIA), current utility scale solar energy generation in Missouri is 120MW. Based on this information,

the Department estimates that 33.2% (120MW / 361.6MW) of all solar energy generation in Missouri comes from a utility scale solar generation system.

For the purpose of this fiscal note, the Department will assume that the projected 5-year capacity increase will be equal each year, for a total yearly increase in solar generation capacity of 187.4MW. The Department will further assume that the 33.2% utility project proportion will remain constant over the next five years. Under these assumptions, each year's utility scale projects will add 62.2MW and residential systems will add 125.2MW in solar production capacity.

Based on additional data published by SEIA, the average cost for a utility scale solar project was \$0.82 to \$1.36 per watt, with a one MW solar farm costing between \$820,000 and \$1,360,000. Therefore, this provision could exempt \$51,004,000 (62.2MW average yearly capacity increase x \$820,000 per 1MW cost) to \$84,592,000 (62.2MW average yearly capacity increase x \$1,360,000 per 1MW cost) in taxable sales.

Based on data published by the Solar Review the average cost for a residential solar system is \$2.33 to \$2.84 per watt. However, that cost includes items (such as profit and marketing) that would not be exempt under this provision. Using additional data provided by Solar Review, it was determined that approximately 45.9% of the per watt cost is directly related to equipment used in a residential solar system. Therefore, the qualifying per watt cost for a residential system is \$1.07 to \$1.30. Therefore, this provision could exempt \$133,964,000 (125,200,000 watts average yearly capacity increase x \$1.07 per watt cost) to \$162,760,000 (125,200,000 watts average yearly capacity increase x \$1.30 per watt cost) in taxable sales.

The Department notes that solar energy systems (including utility scale) can generally be completed in less than a year. Therefore, the Department will reflect a full year's impact starting with FY23. Based on the data found, the Department estimates that this provision could reduce general revenue by \$5,549,040 to \$7,420,560 annually and this could reduce local sales tax revenues by \$7,454,210 to \$9,968,286 annually.

Table 1: Estimated Revenue Impact per Qualifying Solar Project

<u>State Funds</u>	Low	High
General Revenue	(\$5,549,040)	(\$7,420,560)
Education (SDTF)	(\$1,849,680)	(\$2,473,520)
Conservation	(\$231,210)	(\$309,190)
DNR	(\$184,968)	(\$247,352)
Total State Revenue Loss	(\$7,814,898)	(\$10,450,622)
<u>Local Funds</u>		
Local Sales Tax	(\$7,454,210)	(\$9,968,286)

This proposal would require the Department to modify its Exemption Certificate (Form 149), website and computer system. These changes are estimated to cost \$3,596.

Additionally, DOR would need FTE if the number of refund claims generated from this exemption exceed 1,500 refund requests. It would take 1 Associate Customer Service Representative for every 1,500 refund requests.

Oversight assumes the Department of Revenue is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb the costs for computer upgrades related to this proposal. Given the small number of potential qualifiers for this exemption, Oversight assumes DOR can absorb the administrative impact of this proposal.

In response to the similar proposal, HCS for HB 2637 (2022), officials from the **Office of Administration - Budget and Planning (B&P)** note this provision would grant a sales tax exemption for the purchase of the supplies and equipment for solar energy production. B&P notes that this provision would apply to residential solar systems, community solar systems and utility scale solar systems. Qualifying utility scale projects must generate more than 20 megawatts (MW).

Based on data published by the Solar Energy Industries Association (SEIA), Missouri has 361.6MW¹ of current solar capacity and they project another 937MW coming online in the next five years. Based on data published by the U.S. Energy Information Administration (EIA), current utility scale solar energy generation in Missouri is 120MW². Based on the above information, B&P estimates that 33.2% (120MW / 361.6MW) of all solar energy generation in Missouri comes from a utility scale solar generation system.

¹ <https://www.seia.org/state-solar-policy/missouri-solar>

²

<https://www.eia.gov/electricity/data/browser/#/topic/0?agg=1,0,2&fuel=004&geo=000002&sec=o3k&linechart=EL EC.GEN.SUN-MO-99.A&columnchart=ELEC.GEN.SUN-MO-99.A&map=ELEC.GEN.SUN-MO-99.A&freq=A&ctype=linechart<ype=pin&rtype=s&maptype=0&rse=0&pin=>

For the purpose of this fiscal note, B&P will assume that the projected 5-year capacity increase will be equal each year, for a total yearly increase in solar generation capacity of 187.4MW. B&P will further assumes that the 33.2% utility project proportion will remain constant over the next five years. Under these assumptions, B&P estimates that each year utility scale projects will add 62.2MW and residential systems will add 125.2MW in solar production capacity.

Based on additional data published by SEIA, the average cost for a utility scale solar project was \$0.82 to \$1.36 per watt, with a one MW solar farm costing between \$820,000 and \$1,360,000. Therefore, B&P estimates that this provision could exempt \$51,004,000 (62.2MW average yearly capacity increase x \$820,000 per 1MW cost) to \$84,592,000 (62.2MW average yearly capacity increase x \$1,360,000 per 1MW cost) in taxable sales.

Based on data published by the Solar Review the average cost for a residential solar system is \$2.33 to \$2.84 per watt³. However, B&P notes that that cost includes items (such as profit and marketing) that would not be exempt under this provision. Using additional data provided by Solar Review, B&P determined that approximately 45.9% of the per watt cost is directly related to equipment used in a residential solar system. Therefore, B&P estimates that the qualifying per watt cost for a residential system is \$1.07 to \$1.30. Therefore, B&P estimates that this provision could exempt \$133,964,000 (125,200,000 watts average yearly capacity increase x \$1.07 per watt cost) to \$162,760,000 (125,200,000 watts average yearly capacity increase x \$1.30 per watt cost) in taxable sales.

B&P notes that solar energy systems (including utility scale) can be completed in less than a year. Therefore, B&P will reflect a full year's impact starting with FY23. Based on the numbers above, B&P estimates that this provision could reduce GR by \$5,549,040 to \$7,420,560 and TSR by \$7,814,898 to \$10,450,622 annually. Using the population weighted local sales tax rate for 2021 of 4.03%, B&P further estimates that this provision could reduce local sales tax revenues by \$7,454,210 to \$9,968,286 annually.

³ <https://www.solarreviews.com/solar-panel-cost/missouri>

Table 1: Estimated Revenue Impact per Qualifying Solar Project

<u>State Funds</u>	Low	High
General Revenue	(\$5,549,040)	(\$7,420,560)
Education (SDTF)	(\$1,849,680)	(\$2,473,520)
Conservation	(\$231,210)	(\$309,190)
DNR	(\$184,968)	(\$247,352)
Total State Revenue Loss	(\$7,814,898)	(\$10,450,622)
<u>Local Funds</u>		
Local Sales Tax	(\$7,454,210)	(\$9,968,286)

Oversight will reflect BAP and DOR’s estimated fiscal impact for this provision.

Officials from the **City of Kansas City** assume this legislation may have a negative fiscal impact on Kansas City due to lost sales tax revenue.

Oversight notes the above local political subdivision stated this proposal might have a negative fiscal impact on their respective city of an indeterminate amount. Therefore, Oversight will note B&P and DOR’s estimates for all local political subdivisions on the fiscal note.

Oversight notes that the Conservation and Park, Soil, and Water Sales Tax funds are derived from one-eighth of one percent sales and use tax pursuant to Article IV Section 43 (a) and from one-tenth of one percent sales and use tax pursuant to Article IV Section 47 (a) of the Missouri Constitution thus MDC=s and DNR’s sales taxes are constitutional mandates. Therefore, Oversight will reflect the B&P’s estimates of impact on the fiscal note.

In response to the similar proposal, HCS for HB 2637 (2022), officials from the **City of O’Fallon** assume the proposal will have no fiscal impact on their city. **Oversight** notes that a reduction in tax revenue collected will decrease the amount of revenue distributed to local subdivisions. Therefore, Oversight will note B&P and DOR’s estimates for all local political subdivisions on the fiscal note.

§386.885 –Distributed Energy Resource Study

In response to a previous version, officials from the **Department of Commerce and Insurance’s Public Service Commission (PSC)** stated that §386.885 to §386.890 may require a rulemaking by the PSC in order to implement the provisions. Rulemakings generally result in an estimated cost of up to approximately \$4,700.

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 appropriation authority and/or FTE allocation as appropriate through the budget process.

Oversight assumes the PSC is provided with core funding to handle a certain amount of activity each year. Oversight assumes the PSC could absorb the costs related to this proposal. If multiple bills pass which require additional rule making authority at substantial costs, the PSC could request funding through the appropriation process. Therefore, Oversight will assume the proposal will have no fiscal impact on that organization.

In response to a previous version, officials from the **Department of Natural Resources – Division of Energy (DNR-DE)** stated that this legislation requires the DNR-DE to oversee the distributed energy resources study to be selected and conducted by an independent and objective expert with input from the members of the task force. The cost of said study shall be paid for through funds available from federal and state grants applied for by the DNR-DE. The DNR-DE shall establish procedures for the submission and non-public disclosure of confidential and propriety information.

DNR-DE anticipate being able to identify contractors with experience in conducting distributed energy resource studies. The work will require specialized knowledge of applicable Missouri statutes, electric utility generation, transmission and distribution systems and related costs, distributed energy generation systems and grid integration, wholesale energy market operation and pricing. The language in the bill does not define “distributed energy resources.” The term may be defined broadly, but since this legislation focuses on net metering, DNR-DE assumes that the study contemplated in the legislation will be limited to distributed generation. DNR-DE anticipates the study will require the contractor to meet with the task force, retail electric suppliers and other stakeholders to discuss and finalize the work plan, conduct cost/benefit analyses, and other work as required to fulfill the contract requirements. Based on the revisions, DNR-DE officials do not anticipate the study will be granular, instead focusing on the practical and economic benefits, challenges, and drawbacks of increased distributed energy generation in the state without the requirement of determining specific rates for each retail electric provider.

DNR-DE may not have adequate “...funds available from federal and state grants applied for by the division of energy” to cover this cost in the short term as the grants already applied for by DNR-DE have all funds assigned to other activities. To DNR-DE’s knowledge, there is not any certainty as to the availability of any sufficient federal or state grants that can be readily applied for and awarded in time to pay for this initiative based upon the time constraints contained in the proposal. If no funding opportunities arise, DE would require General Revenue amounting to \$300,000 to fulfill the requirements of this section.

Two potential, but uncertain funding possibilities exist. DNR-DE has federal funds associated with a previous grant in a revolving loan fund that can potentially be repurposed for use to pay the contractor. DNR-DE would be required to submit a request to the U.S. Department of Energy

(DOE) requesting the repurposing of funds. DOE accepts such requests in either January or June, but may be willing to accept such a request outside of those months. Presuming DOE is agreeable to repurposing the funds, the contractor would be required to comply with American Recovery and Reinvestment Act of 2009 (ARRA) flow-down requirements, which are attached to those funds. DNR-DE anticipate initiating a formal request to DOE for allowance to repurpose up to \$300,000, although DOE's approval of such a repurposing request is not guaranteed.

Additionally, it is possible that funding from the Infrastructure Investment and Jobs Act (IIJA) could be used. As the bill is currently written, DNR-DE's understanding is that State Energy Program (SEP) funds from the IIJA can be used for any allowable activity under SEP (10 CFR 420). However, usage of such funds for the purpose described in this bill could detract from the ability of DNR-DE to pursue additional opportunities presented by the IIJA, and the exact amount of funding to be received from the IIJA is not certain at this time.

Oversight will reflect this cost to federal funds and note the possibility that if federal funding is not available, state General Revenue may be needed.

DNR-DE anticipates they will engage stakeholders as part of the study process. However, based on the direction that "House Research and Senate Research shall provide necessary clerical, research, fiscal, and legal services to the task force," DNR-DE anticipates that House Research and Senate Research rather than DNR-DE will have primary responsibility for drafting the study RFP, study contracts, and task force report. DNR-DE will require 1 FTE Research/Data Analyst to coordinate with House Research and Senate Research, provide technical assistance, and to prepare material for review by the task force. This would be a temporary position that would terminate at the end of the project period.

As Section 386.885 expires on December 31, 2023, **Oversight** will assume DNR will not require hiring a new FTE for the time period this FTE may be needed. Therefore, Oversight will assume DNR will implement the provisions of this proposal with existing resources.

Officials from the **Missouri State Senate (SEN)** anticipate a negative fiscal impact to reimburse 2 Senators for travel to the Task Force on Distributed Energy Resources and Net Metering meetings. In summary, it will cost approximately \$255.78 per meeting.

Oversight assumes the SEN is provided with core funding to handle a certain amount of activity each year. Oversight assumes the SEN could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, SEN could request funding through the appropriation process.

§386.890 - Net Metering

In response to a previous version, officials from the **Missouri Department of Conservation** assumed this proposal will have no 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.

§442.404 – Restrictive covenants shall not limit or prohibit the installation of rooftop solar panels

In response to the similar proposal, HB 1535 (2022), officials from the **City of Wildwood (City)** assume removing restrictions from this proposal could allow for more applications for solar panels to be submitted and potentially increase the number of fees received.

The City did not provide a potential amount of additional revenue that could be collected. **Oversight** inquired about any additional revenue that could be generated by the City and will update any future fiscal notes with that information once it is gathered. Oversight also reviewed the City's past Comprehensive Annual Financial Report (CAFR) and could not determine if these fees were in the report. Oversight will assume any additional revenue will be minimal to the City and will reflect no fiscal impact for this proposal.

In response to the similar proposal, HB 1535 (2022), officials from the **Department of Commerce and Insurance** and the **Department of Natural Resources** each assumed the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies for this section.

In response to the similar proposal, HB 1535 (2022), officials from the **City of Kansas City** and the **City of Springfield** each assumed the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, **Oversight** will reflect a zero impact in the fiscal note for these agencies for this section.

SEQ CHAPTER \h \r 1 SEQ CHAPTER \h \r 1§§523.010, 523.025, 523.039, 523.040, 523.256 - Eminent Domain of Certain Utilities

In response to a similar proposal, SS for HCS for HB 2005 (2022), officials from the **Department of Commerce and Insurance**, the **Department of Natural Resources**, the **Missouri Department of Conservation**, the **Attorney General's Office**, the **Office of Administration**, and the **Wayne County Pwsd** each assumed the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, **Oversight** will reflect a zero impact in the fiscal note for these agencies for these sections.

SEQ CHAPTER \h \r 1 **Oversight** only reflects the responses received from state agencies and political subdivisions; however, other utilities were requested to respond to this proposed legislation but did not. A listing of political subdivisions included in the Missouri Legislative Information system (MOLIS) database is available upon request.

Oversight assumes this proposal could impact the Grain Belt Express project in northern Missouri. According to a report by the Public Service Commission (File No. EM-2019-0150), the Grain Belt Express Project line is “sited to traverse Buchanan, Clinton Caldwell, Carroll, Chariton, Randolph, Monroe and Ralls Counties, Missouri. The Grain Belt Express Project covers approximately 780 miles, and the project will primarily use a pole design which has a smaller footprint than traditional alternating current transmission lines. The structures will occupy ten acres for the entire state of Missouri.” The Joint Application of Invenergy Transmission LLC, Invenergy Investment Company LLC, Grain Belt Express Clean Line LLC and Grain Belt Express Holding LLC for an Order Approving the Acquisition by Invenergy Transmission LLC of Grain Belt Express Clean Line LLC was approved by the PSC effective June 30, 2019.

Oversight notes modifying provisions relating to the power of eminent domain for utility purposes could have a large impact on current and future utility projects by private companies.

SEQ CHAPTER \h \r 1 **SEQ CHAPTER \h \r 1** **SEQ CHAPTER \h \r 1** **SEQ CHAPTER \h \r 1** **SEQ CHAPTER \h \r 1** **§610.021 - Certain records of municipally owned utilities may be closed under the sunshine law**

In response to the similar proposal, SB 827 (2022), officials from the **Department of Commerce and Insurance**, the **St. Louis-Jefferson SWMD** and the **Wayne County Pwsd** each assume the proposal will have no fiscal impact on their respective organizations.

In response to a similar proposal from 2021 (SB 214), officials from the **Butler County Pwsd #2**, the **Cass County Pwsd #2**, the **Clarence/Cannon Wholesale Water District**, the **Corder Water/Waste Water District**, the **East Butler County Sewer District**, the **Lexington Water/Wastewater District**, the **Little Blue Valley Sewer District**, the **Macon County Pwsd #1**, the **Platte County Pwsd #6**, the **Schell City Water Department**, the **City of Springfield**, the **St. Charles County Pwsd #2**, the **Ste. Genevieve County Pwsd #1** and the **Stone County Pwsd #1** each assumed the proposal would have no fiscal impact on their respective organizations.

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

§§Sections 1.513, 8.055, 8.475, 620.2450, 620.2451, 620.2453, 620.2465 & 620.2468

Oversight notes the Section 1.513 authorizes Attorney General to seek the deposit of federal funds designated for broadband deployment in Missouri from broadband providers who default or otherwise fail to complete deployment as agreed upon with the federal government.

In response to the similar proposal HCS for HB 2638 (2022), officials from the **Office of Administration – Budget & Planning** note:

To the extent that any federal funds are recaptured by providers who fail to complete deployment and are deposited into a state fund, TSR may increase by an unknown amount.

Oversight notes such funds, collected from providers who default, shall be deposited into the Missouri Broadband Development Fund, therefore, Oversight will reflect zero to Unknown positive amount of funds being collected under this Section in the fiscal note.

In response to the previous version of the bill, officials from the **Attorney General’s Office (AGO)** assumed they are not currently participating in this function, but will be able to absorb the costs associated with this Section.

Oversight assumes AGO is provided with core funding to handle a certain amount of activity each year. Oversight assumes AGO could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, AGO could request funding through the appropriation process and for purpose of this fiscal note **Oversight** will reflect a zero impact in the fiscal note for the AGO.

Oversight notes the Section 8.055 requires high speed internet of adequate bandwidth to be provided to the public in the capitol building.

Oversight assumes this proposal requires unified high speed Wi-Fi Internet access with adequate bandwidth and connectivity to accommodate users in the Capitol building and grounds.

In response to a similar proposal (HB 2817), officials from the **Office of Administration (OA)** assumed a cost of \$5,438,906 to implement the requirements of this proposal. OA states that the capitol construction materials do not allow wifi signals to penetrate easily which may require more Access Points (AP). The capitol is a historic building and running cable may be more expensive. Due to running cable in a historic building, OA’s assumptions on outside/grounds may not be inclusive enough. Listed below is a breakdown of OA’s estimated cost (Oversight assumes one-time costs will occur in FY 2024 and ongoing costs will occur annually starting in FY 2025). A 50% buffer of \$570,979 has been included in the Interior Access Points total to cover any unknowns.

Oversight notes the cost breakdown as follow:

	FY 2024	FY 2025
Interior Access Points	\$1,712,937	\$0
9800-40 WLC	\$20,000	\$0
Wireless lan Controller Maintenance – yearly	\$20,000	\$20,000
core switch in Capitol	\$50,000	\$0
firewalls - 2x Cisco 4112 + licensing - list price - onetime cost	\$800,000	\$0
firewalls - yearly maintenance cost	\$300,000	\$300,000
Internet connection – annual cost	\$36,000	\$36,000
Internet connection - installation cost	\$100,000	\$0
wifi survey cost	\$50,000	\$0
vendor project management	\$50,000	\$50,000
30 APs @ 2000 each - list price – Exterior	\$60,000	\$0
construction cost and cabling per AP @ \$5000	\$150,000	\$0
18 APs @ \$2000 each - list price House Garage	\$36,000	\$0
construction cost and cabling per AP @ \$2000 – House Garage	\$36,000	\$0
IDF - cabinet, routing, switching, power House Garage	\$25,000	\$0
35 APs @ \$2000 each - list price Senate Garage	\$70,000	\$0

construction cost and cabling per AP @ \$2000 – Senate Garage	\$70,000	\$0
IDF - cabinet, routing, switching, power Senate Garage	\$25,000	\$0
5 APs @ \$1500 - tunnel to capitol Senate Garage	\$7,500	\$0
construction cost for tunnel APs @ \$1500 Senate Garage	\$7,500	\$0
Subtotal	\$3,625,937	\$406,000
Final overhead of 50%	\$1,812,969	\$203,000
TOTAL	\$5,438,906	\$609,000

Oversight does not have any information to the contrary. Therefore, Oversight will reflect a “could exceed” the estimated cost provided by OA to the General Revenue Fund. Oversight will use a range of fiscal impact with and without the 50% buffer used by OA. **Oversight** assumes the cost in FY 2025 will be a reoccurring cost each year thereafter.

Oversight notes Section 8.475 creates “Vertical Real Estate Act” and allows for a local political subdivisions to build or erect vertical towers on its property, or enter into public-private partnership to do so.

In response to a previous version, officials from the **Department of Economic Development (DED)** assumed this Section was modified to the point that it would have no impact on DED at this time. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for DED for this section.

Oversight notes the Sections 620.2450 to 620.2453 creates a Grant Program for applicants who seek to expend access to broadband.

Oversight notes that this proposal allows companies to initiate a project of acquisition and installation of retail broadband internet service in unserved and underserved areas of state.

Oversight also notes the proposal specifies that applicants, who are seeking grants to expand access to broadband internet service in underserved areas of the state, must submit an application for such a grant to the Department of Economic Development for approval.

The proposal adds a definition for "project" and modifies the definition of "underserved area", which is now defined as a project area without access to wireline or fixed wireless broadband internet service of speeds of the higher of 100 Mbps download and 20 Mbps upload or the minimum speed established by the Federal Communications Commission. The definition of

"unserved area" is also modified to mean a project area without access to wireline or fixed wireless broadband internet services of speeds of at least 25 Mbps download and 3 Mbps upload.

Grants awarded under the program shall prioritize projects providing speeds of the higher than 100 Mbps download and 20 Mbps upload that is scalable to higher speeds or the minimum acceptable speed established by the Federal Communications Commission.

Oversight, for informational purposes, provides snapshot of certain federal programs that allows states to further the Broadband Development goals specified below:

H.R. 133, the "Consolidated Appropriations Act, 2021," which was signed into law on December 27, 2020. United States Congress Consolidated Appropriations Act, 2020 Broadband Provisions

FCC:

- \$3.2B (FCC) \$50/per month household subsidy for broadband service for low to moderate income families
- \$250M (FCC) COVID-19 Telehealth Grant Program for clinics and health care providers
- \$65M + \$33M (FCC) for broadband mapping to provide a more accurate representation of broadband coverage in America

USDA:

- \$635M (USDA) Re-Connect broadband infrastructure deployment program
- \$60M (USDA) Distance Learning and Telemedicine grants
- \$35M (USDA) Community Connect grants

NTIA, US Dept. of Commerce:

- \$300M (NTIA) Rural infrastructure projects not covered by other federal programs
- \$285M (NTIA) For digital inclusion efforts in minority communities for devices, service, adoption/digital literacy

Oversight notes that a recent article, published by the [Missouri University](#) on this subject, suggests Missouri ranks no. 32 in the U.S. in the broadband access for its citizens. It shows that one in three Missouri households is currently without high-speed internet service. [Additional research on subject](#) shows that "at this time, 85.6% of Missourians have access to a wired broadband connection with speeds of 25 Mbps or faster; however, there are still 780,000 people who do not have a wired connection capable of such speeds.

In response to a previous version, officials from the **Clarence Water/Wastewater District** and **Morgan County Power/Water/Sewer District** both assumed the proposal will have a direct fiscal impact on their organization.

Oversight requested additional information from above local political subdivisions for explanation of the specific impact stemming from the proposal. However, Oversight did not receive any additional information. For purpose of this fiscal note, Oversight will assume the proposal will have no fiscal impact on their respective organization and reflect a zero impact in the fiscal note for this agency for these sections.

Oversight, for informational purposes, provides last three years of Broadband Development Spending in Missouri below:

FY 2020

Applicant	Awarded Y/N	Total Score (Out of 130)	Amount Requested	Amount Awarded	Household Unit Served	Farms Served	Business	Community Institutions
Boycorn Cablevision Inc. - Doniphan/Ripley Co.	Y	70.75	\$167,402.50	\$164,958.00	1500	50	65	20
Callabyte Technology LLC (CNV) - Holts Summit*	Y	88.5	\$386,250.00	\$335,806.00	189	21	31	0
CenturyLink - Wentzville	Y	90.88	\$32,400.00	\$29,160.00	59	0	0	0
Chariton Valley Communications Corp. - Renick	Y	86.75	\$206,400.00	\$206,400.00	98	6	8	4
Chariton Valley Communications Corp. - Rockford	Y	84.75	\$56,250.00	\$50,625.00	15	3	0	1
Gasosage Electric Cooperative - Tick Creek Exter	Y	83.75	\$547,746.00	\$402,332.00	85	0	0	0
Mid-America Spectrum LLC - Barnhart	y	81.57	\$46,432.00	\$46,432.00	34	0	0	0
Mid-America Spectrum LLC (CNV) - Smithville*	y	86.71	\$29,553.90	\$33,153.00	50	0	0	0
9 New Florence Telephone Company (CNV) - Higly	Y	102.86	\$127,126.40	\$113,397.00	145	0	12	6
Socket Telecom LLC (CNV) - New Franklin*	y	91.88	\$129,860.00	\$129,860.00	397	0	26	16
Steelville Telephone Exchange - Bixby	y	100.43	\$500,000.00	\$445,917.00	108	3	9	2
Steelville Telephone Exchange - East End	y	86.43	\$132,158.00	\$114,538.00	19	3	4	1
Worldwide Technologies Inc. - Lexington	y	79.84	\$500,000.00	\$370,990.00	466	0	0	2
Alma Communications Company (CV) - Lafayette, Saline, Johnson Counties*	y	90	\$132,400.00	\$127,913.00	644	0	67	0
Northeast Missouri Rural Telephone Company - S	y	98.57	\$354,921.00	\$354,921.00	117	19	5	0
United Services Inc. - Bolckow	y	95.43	\$139,034.00	\$125,131.00	78	19	2	7
Total Amt. Requested/Awarded			\$3,487,933.80	\$3,051,533.00	4004	124	229	59
*Challenged Application								

Oversight notes that in FY 2020 there were 40 applicants requesting money. The DED further explained that applicants denoted as not receiving funding (24 applicants) either were ineligible because the proposed project area was 'served' as listed by the Federal Communications Commission or the applicant did not submit or provided incomplete information to fully evaluate the application.

Oversight notes that the two tables below with the funding for FY 2021 and FY 2022 are still being finalized; therefore, the tables do not include all information as the FY 2020 table. Some contractors are still working on the projects and DED is working in tandem with the providers to assure appropriate compliance. The DED additionally adds that there are differences between initial application process and the final project based of challenges and other funding sources becoming available throughout the project.

FY 2021

Recipient	Project Location	Grant Amount	Amount Awarded	Total Connections Made
Round 1				
AirLink	Glasgow, Howard County	\$ 578,783.32	\$ 245,990.00	400
Barry Technology Services	Barry & McDonald Counties	\$ 82,800.00	\$ 43,631.63	23
Callabyte	Warren County - Red School House, Bueltmann, Wright, Strawberry Hill Roads, Unincorporated South of Jonesburg	\$ 138,000.00	\$ 100,050.00	40
Chariton Valley Communications (Keyettesville)	Keyettesville, Chariton County	\$ 219,671.00	\$ 146,908.58	87
Chariton Valley Communications (Brookfield East)	Brookfield East, Linn County	\$ 71,902.00	\$ 24,753.12	42
Chariton Valley Communications (Brookfield West)	Brookfield West, Linn County	\$ 226,118.44	\$ 95,515.70	76
Chariton Valley Communications (Long Branch Lake)	Long Branch Lake, Macon County	\$ 82,800.00	\$ 48,300.00	24
Chariton Valley Communications (Northwest Hannibal)	Hannibal Northwest, Marion County	\$ 175,950.00	\$ 89,700.00	45
Higher Vision Works LLC	Ozark, Taney County	\$ 94,500.00	\$ 43,650.00	180
Midwest Data	Lake Community, Big Lake, Holt County	\$ 483,000.00	\$ 483,000.00	140
SEMO Electric Cooperative	Cape Girardeau, Scott, Stoddard Counties	\$ 142,200.00	\$ 142,200.00	60
Socket (SW Ashland)	Ashland, Boone County	\$ 442,395.00	\$ 224,991.51	176
Socket (Fayette)	Fayette, Howard County	\$ 129,086.21	\$ 20,816.34	224
Socket (St. Martin Meadowbrook)	Jefferson City/St. Martin, Meadowbrook, Cole County	\$ 15,840.25	\$ 10,350.00	12
Socket (St. Martin Verdant Lane)	Jefferson City/St. Martin, Verdant Lane, Cole County	\$ 31,828.00	\$ 10,350.00	19
Round 2				
Boycom Cablevision	Foxwood Pointe, Poplar Bluff (Butler)	\$ 96,600.00	\$ 96,600.00	28
Boycom Cablevision	Remington Oaks, Poplar Bluff (Butler)	\$ 91,699.00	\$ 91,699.00	27
Green Hills Communications	State Highway V, Gallatin, Daviess County	\$ 6,900.00	\$ 4,167.00	5
Liberty Link LLC (Nov 30)	Holden (Johnson County)	\$ 152,922.00	\$ 152,761.00	97
Mark Twain Commuications	Gorin, South Scotland County	\$ 131,100.00	\$ 131,000.00	178
Socket (1 of 7 apps)	East Ahsland (Boone County)	\$ 81,063.00	\$ 41,469.92	35
Socket (3 of 7 apps)	Log Providence Road (Boone County)	\$ 12,889.00	\$ 12,889.00	9
Socket (4 of 7 apps)	N. New Franklin (Howard County)	\$ 95,324.00	\$ 32,183.44	34
Socket (5 of 7 apps)	S. Moberly (Randolph County)	\$ 56,921.00	\$ 38,446.37	24
Socket (6 of 7)	St. Martin Project Area 2 (Cole)	\$ 12,672.00	\$ 6,900.00	5
Socket (7 of 7 apps)	St. Martin Project Extension (Cole) - MODIFIED/CHALLENGED	\$ 106,866.00	\$ 44,850.00	40
Total Awards		\$ 3,759,830.22	\$ 2,383,172.61	2030

FY 2022

Recipient	Project Location	Grant Amount	Household Unit Served	Business	Community Institutions
Gascosage Electric Cooperative	South Dixon	\$ 2,842,768.51	719	35	0
Socket Telecom	Northern Boone County	\$ 5,005,418.03	2941	6	10
Chariton Valley Communications	Hannibal	\$ 1,113,062.13	518	12	2
Chariton Valley Communications	Palmyra	\$ 1,825,872.77	176	10	2
Chariton Valley Communications	Clarence	\$ 1,002,456.37	73	2	0
Chariton Valley Communications	Monroe City	\$ 592,115.27	45	5	0
Gateway Infrastructure, LLC	five communities in Lincoln and St. Charles	\$ 10,000,000.00	4731	121	0
Green Hills Communications	Rural are east of Chillicothe	\$ 4,656,599.33	295	6	1
Boycocom Ccablevision	Stringtown	\$ 1,097,190.00	230	18	2
Spectrum	Portgage Des Sioux, St. Louis & St. Charles Co	\$ 1,899,936.68	496	0	0
Columbus Telephone Company	Carl Junction	\$ 8,411,191.57	3105	99	16
Le-Ru Telephone Coompany	Powell and Pineville, McDonald County	\$ 3,610,846.46	215	6	0
Total Awards		\$ 42,057,457.12	13544	320	33

Section 620.2468 – Establishes "Office of Broadband Development" in the Missouri Department of Economic Development and authorizes the Department to conduct on-site inspections

In response to a previous version, officials from the **Department of Economic Development (DED)** assumed Section 620.2468, gives the Office of Broadband the authority to inspect projects of broadband providers that received grants or loans from the Office of Broadband. The legislation does not require the inspections. However, in order to conduct inspections the office expects to need an additional FTE.

The Office of Broadband requested additional FTE, through ARPA funding, in the supplemental budget. The Office of Broadband could cover the duties of Section 620.2468 internally if adequate FTE are provided through the supplemental budget. Without those FTE, the office will require additional staff.

Oversight notes that DED assumes the proposal gives the Department authority to conduct inspections of the sites for the broadband providers receiving grants for broadband expansion purpose. However, the proposal does not say that the Department “shall” conduct inspections.

Oversight notes that HB 3014 was passed and signed by the Governor on February 22, 2022. Page 20 of the bill shows 2.6 FTE for the Broadband Office. This appropriation will give DED appropriation authority for the necessary FTE until June 30, 2022.

Oversight notes that DED further explains, via e-mail, additional question from Oversight on this subject, that *IF* for some reason, the ARPA FTEs aren’t approved in the FY23 budget (still in process), the Department would still need the FTE and it would be paid through the general revenue fund. Therefore, **Oversight** will range the impact from zero (the ARPA Funds are still available) to the estimated FTE cost by the DED (the ARPA Funds are no longer available and GR money is paying for FTE) in the fiscal note.

Oversight notes that the proposal states the DED shall have the “authority to inspect shall last until the project is complete and operational”. Therefore, it is very probable that various broadband projects will be undertaken for the next few years, and DED will need the necessary FTE to comply with the proposal.

SEQ CHAPTER \h \r 1SEQ CHAPTER \h \r 1SEQ CHAPTER \h \r 1SEQ CHAPTER \h \r 1
Bill as a Whole

Officials from the **Department of Health and Senior Services**, the **Department of Social Services**, the **Department of Elementary and Secondary Education**, the **Missouri Department of Agriculture**, the **Missouri Department of Transportation**, the **City of St. Louis**, the **South River Drainage District**, the **Office of the Governor**, the **Office of the State Auditor**, the **Missouri House of Representatives**, the **State Tax Commission**, the **Metropolitan St. Louis Sewer District** and the **Hancock Street Light District** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

In response to a previous version, officials from the **Attorney General’s Office**, the **Department of Labor and Industrial Relations**, the **Department of Higher Education and Workforce Development**, the **Office of Administration**, the **Office of the State Courts Administrator**, the **Department of Natural Resources**, the **City of Claycomo**, the **City of O’Fallon**, the **Little Blue Valley Sewer District**, the **Wayne County Pwsd #2** and **Saint Louis County** each assumed the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Rule Promulgation:

Officials from the **Joint Committee on Administrative Rules** assume this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials from the **Office of the Secretary of State (SOS)** assume that 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 for this fiscal note to the SOS for Administrative Rules is less than \$5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the 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 the office can sustain with its core budget. Therefore, the 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.

L.R. No. 3741S.04S

Bill No. CCS for HCS for SB 820

Page **21** of **26**

May 10, 2022

Oversight assumed SOS is provided with core funding to handle a certain amount of activity each year. Oversight assumes SOS could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs.

<u>FISCAL IMPACT – State Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025
GENERAL REVENUE FUND			
<u>Revenue Loss - §144.030 – Solar Energy Project Sales Tax Exemption p.7</u>	(\$5,549,040- \$7,420,560)	(\$5,549,040- \$7,420,560)	(\$5,549,040- \$7,420,560)
<u>Cost – Section 620.2468 – DED FTE Inspections of broadband providers p.18</u>	\$0 or	\$0 or	\$0 or
Salaries	(\$38,798)	(\$47,488)	(\$48,438)
Fringe Benefits	(\$25,336)	(\$30,715)	(\$31,033)
Equipment & Expense	(\$13,862)	(\$4,178)	(\$4,261)
<u>Total Cost – DED</u>	(\$77,996)	(\$82,381)	(\$83,733)
Net Change FTE	1 FTE	1 FTE	1 FTE
<u>Cost – Section 8.055 - OA Wi-Fi Internet in Capitol Building and grounds p.12-14</u>	\$0	(Could Exceed \$3,625,937 to \$5,438,906)	(Could Exceed \$406,000 to \$609,000)
<u>Costs – DED - §§620.2450-620.2465 – shall implement a program to increase high-speed internet access in unserved and underserved areas p.12-17</u>	(Unknown)	(Unknown)	(Unknown)
<u>Transfer Out – to Missouri Disaster Fund - Section 44.032 to cover rural electric cooperatives p.14</u>	\$0 to (Unknown, <u>Greater than</u> \$250,000)	\$0 to (Unknown, <u>Greater than</u> \$250,000)	\$0 to (Unknown, <u>Greater than</u> \$250,000)
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(Unknown, could exceed \$7,748,556)</u>	<u>(Unknown, could exceed \$13,191,847)</u>	<u>(Unknown, could exceed \$8,363,293)</u>
Estimated FTE Change on General Revenue	1 FTE	1 FTE	1 FTE
MISSOURI OFFICE OF BROADBAND DEVELOPMENT FUND			

<u>Revenue Gain</u> – §1.513 - AGO claw back for unfinished projects p.12	\$0 to <u>Unknown</u>	\$0 to <u>Unknown</u>	\$0 to <u>Unknown</u>
<u>Revenue Savings</u> - §620.2451 – claw back for improper use of grant funds p.12-17	\$0 to <u>Unknown</u>	\$0 to <u>Unknown</u>	\$0 to <u>Unknown</u>
NET ESTIMATED EFFECT ON THE MISSOURI OFFICE OF BROADBAND DEVELOPMENT FUND	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>
SCHOOL DISTRICT TRUST FUND			
<u>Revenue Loss</u> - §144.030 – Solar Energy Project Sales Tax Exemption p. 7	<u>(\$1,849,680- \$2,473,520)</u>	<u>(\$1,849,680- \$2,473,520)</u>	<u>(\$1,849,680- \$2,473,520)</u>
ESTIMATED NET EFFECT ON SCHOOL DISTRICT TRUST FUND	<u>(\$1,849,680- \$2,473,520)</u>	<u>(\$1,849,680- \$2,473,520)</u>	<u>(\$1,849,680- \$2,473,520)</u>
PARKS AND SOILS STATE SALES TAX FUNDS (0613 & 0614)			
<u>Revenue Loss</u> - §144.030 – Solar Energy Project Sales Tax Exemption p. 7	<u>(\$184,968- \$247,352)</u>	<u>(\$184,968- \$247,352)</u>	<u>(\$184,968- \$247,352)</u>
ESTIMATED NET EFFECT ON PARKS AND SOILS STATE SALES TAX FUNDS (0613 & 0614)	<u>(\$184,968- \$247,352)</u>	<u>(\$184,968- \$247,352)</u>	<u>(\$184,968- \$247,352)</u>
CONSERVATION COMMISSION FUND (0609)			

<u>Revenue Loss</u> - §144.030 – Solar Energy Project Sales Tax Exemption p. 7	<u>(\$231,210- \$309,190)</u>	<u>(\$231,210- \$309,190)</u>	<u>(\$231,210- \$309,190)</u>
ESTIMATED NET EFFECT ON CONSERVATION COMMISSION FUND (0609)	<u>(\$231,210- \$309,190)</u>	<u>(\$231,210- \$309,190)</u>	<u>(\$231,210- \$309,190)</u>
MISSOURI DISASTER FUND (0663)			
<u>Transfer In</u> – from General Revenue	\$0 to Unknown, Greater than \$250,000	\$0 to Unknown, Greater than \$250,000	\$0 to Unknown, Greater than \$250,000
<u>Cost</u> – SEMA (§44.032) Disaster damages p. 14	<u>\$0 to (Unknown, Greater than \$250,000)</u>	<u>\$0 to (Unknown, Greater than \$250,000)</u>	<u>\$0 to (Unknown, Greater than \$250,000)</u>
ESTIMATED NET EFFECT ON THE MISSOURI DISASTER FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
FEDERAL FUNDS			
<u>Cost</u> – DNR - Independent Contractor – to conduct distributed energy resource study (§386.885) p. 9	<u>(\$300,000)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>(\$300,000)</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025
LOCAL POLITICAL SUBDIVISIONS			
Cost - §144.030 – Solar Energy Project Sales Tax Exemption p. 7	<u>(\$7,454,210- \$9,968,286)</u>	<u>(\$7,454,210- \$9,968,286)</u>	<u>(\$7,454,210- \$9,968,286)</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>(\$7,454,210 - \$9,968,286)</u>	<u>(\$7,454,210 - \$9,968,286)</u>	<u>(\$7,454,210 - \$9,968,286)</u>

FISCAL IMPACT – Small Business

Certain small businesses could be impacted by this proposal.

FISCAL DESCRIPTION

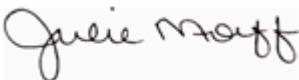
This act modifies provisions relating to utilities.

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

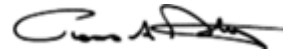
SOURCES OF INFORMATION

Attorney General’s Office
 State Tax Commission
 Department of Commerce and Insurance
 Department of Natural Resources
 Missouri Department of Conservation
 Missouri Department of Transportation
 Department of Elementary and Secondary Education
 Department of Higher Education and Workforce Development
 Department of Labor and Industrial Relations
 Department of Health and Senior Services
 Department of Social Services
 Office of the Governor
 Office of the State Auditor
 Office of Administration
 Missouri House of Representatives
 Joint Committee on Administrative Rules

Office of the Secretary of State
Missouri Senate
Little Blue Valley Sewer District
Metropolitan St. Louis Sewer District
South River Drainage District
Wayne County Pwsd #2
Saint Louis City
City of Claycomo
City of Kansas City
City of O'Fallon
Hancock Street Light District
Office of Administration - Budget and Planning
Department of Economic Development
Missouri Department of Agriculture
Department of Revenue
State Emergency Management Agency
City of Springfield
City of Wildwood
St. Louis-Jefferson County Solid Waste Management District
Butler County PWSD #2
Cass County PWSD #2
Clarence/Cannon Wholesale Water District
Corder Water/Wastewater District
East Butler County Sewer District
Lexington Water/Wastewater District
Macon County PWSD #1
Platte County PWSD #6
Schell City Water Department
St. Charles County PWSD #2
Ste. Genevieve County PWSD #1
Stone County PWSD #1
Morgan County Power/Water/Sewer District
Hughesville Water/Wastewater
St. Louis County



Julie Morff
Director
May 10, 2022



Ross Strobe
Assistant Director
May 10, 2022