

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1619S.01I
Bill No.: SB 450
Subject: Civil Penalties; Corporations; Energy; Liability; Public Service Commission
Type: Original
Date: April 3, 2023

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 2024	FY 2025	FY 2026
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Total Estimated Net Effect on FTE	0	0	0

- 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 2024	FY 2025	FY 2026
Local Government	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown

FISCAL ANALYSIS

ASSUMPTION

Section 386.572 - Civil penalty for Violating Federally Mandated Natural Gas Safety Standards

Officials from the **Department of Commerce and Insurance (Public Service Commission and the Office of Public Counsel)**, the **Department of Natural Resources**, the **Missouri Department of Conservation**, the **Department of Transportation** and the **Office of the State Courts Administrator** each assume the proposal will have no fiscal impact on their respective organizations.

In response to a similar proposal from last year (SB 953), officials from the **Attorney General's Office** assume the 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 in the fiscal note for these agencies.

Oversight assumes this proposal may increase the penalty for any person who violates federally mandated natural gas safety standards. According to the Department of Commerce and Insurance - Public Service Commission, 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.

Oversight notes current maximums (Section 386.572) are not greater than \$15,000 for each violation with a maximum not to exceed \$150,000 for continuing violation. This proposal changes that to an amount not to exceed 49 CFR Part 190.223(a), which states:

§ 190.223 Maximum penalties.

- (a) Any person found to have violated a provision of 49 U.S.C. 60101, et seq., or any regulation or order issued thereunder, is subject to an administrative civil penalty not to exceed \$225,134 for each violation for each day the violation continues, with a maximum administrative civil penalty not to exceed \$2,251,334 for any related series of violations.

<u>FISCAL IMPACT – State Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
LOCAL SCHOOL DISTRICTS			
<u>Revenue - School Districts</u> §386.572 Increased penalty for violating federally mandated natural gas safety standards p. 3	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>
ESTIMATED NET EFFECT TO LOCAL SCHOOL DISTRICTS	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>

FISCAL IMPACT – Small Business

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

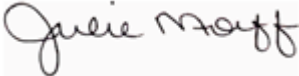
FISCAL DESCRIPTION

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 penalty not to exceed an amount as determined by the U.S. Secretary of Transportation of the United States 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 Commerce and Insurance
Public Service Commission
Office of Public Counsel
Department of Natural Resources
Department of Transportation
Missouri Department of Conservation
Attorney General's Office
Office of the State Courts Administrator



Julie Morff
Director
April 3, 2023



Ross Strope
Assistant Director
April 3, 2023