

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5930S.01I
Bill No.: SB 1470
Subject: Civil Penalties; Corporations; Energy; Liability; Public Service Commission
Type: Original
Date: April 1, 2024

Bill Summary: This proposal modifies provisions relating to civil penalties for violations of federally mandated natural gas safety standards.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
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 2025	FY 2026	FY 2027
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
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 2025	FY 2026	FY 2027
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, Office of Administration, Kansas City, Metropolitan St. Louis Sewer District, Pulaski County Sewer District, South River Drainage District, St. Charles County Pwsd and Wayne County Pwsd** each assume the proposal will have no fiscal impact on their respective organizations.

In response to a similar proposal from last year (SB 450), officials from the **Office of the State Courts Administrator** assumed 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 additional 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 in [49 CFR parts 190 through 199](#), or order issued pursuant to [49 U.S.C. 60101](#), et seq. or [49 CFR part 190](#), is subject to an administrative civil penalty not to exceed \$266,015 for each violation for each day the violation continues, with a maximum administrative civil penalty not to exceed \$2,660,135 for any related series of violations.*

<u>FISCAL IMPACT – State Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
LOCAL SCHOOL DISTRICTS			
<u>Revenue - School Districts §386.572</u> 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.

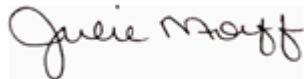
FISCAL DESCRIPTION

The act repeals certain provisions relating to maximum penalties for violations of federally mandated natural gas safety standards and provides that the maximum penalties shall not exceed an amount as determined by the Secretary of Transportation of the United States.

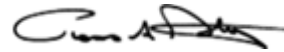
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

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
Office of the State Courts Administrator
Kansas City
Metropolitan St. Louis Sewer District
Pulaski County Sewer District
South River Drainage District
St. Charles County Pwsd
Wayne County Pwsd



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April 1, 2024



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