

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5631S.03I
 Bill No.: SB 849
 Subject: Department of Natural Resources; Utilities
 Type: Original
 Date: February 2, 2026

Bill Summary: This proposal places a moratorium on the construction of solar projects.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

FUND AFFECTED	FY 2027	FY 2028	FY 2029
General Revenue*	Could exceed (\$100,843)	Could exceed (\$118,017)	More or less than (\$120,376)
Total Estimated Net Effect on General Revenue	Could exceed (\$100,843)	Could exceed (\$118,017)	More or less than (\$120,376)

*Oversight notes the estimated impact to DNR from 1 FTE, an unknown cost for database setup and the possible collection of fees in FY29.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Blind Pension Fund (1621)	(Unknown)	(Unknown)	\$0 or (Unknown)
Total Estimated Net Effect on Other State Funds	(Unknown)	(Unknown)	\$0 or (Unknown)

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)

FUND AFFECTED	FY 2027	FY 2028	FY 2029
General Revenue (DNR)	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 2027	FY 2028	FY 2029
Local Government	(Unknown)	(Unknown)	(Unknown)

FISCAL ANALYSIS

ASSUMPTION

§393.2180 - Moratorium on the Construction of Solar Projects.

Officials from the **Department of Natural Resources (DNR)** state that the Division of Energy is not specifically recognized in the bill language as the agency under DNR responsible for promulgating rules relating to environmental issues concerning, but not limited to, the construction, placement, and operation of a solar project.

If it is decided that the Division of Energy will be the designated agency, there will be a cost to the Division for setting up permitting processes, receiving applications from solar developers, collecting fees for these reviews, conducting the environmental review, and approving construction to proceed. The Division of Energy is a policy-driven division and if the division were responsible for implementing this provision, it would move the division to a regulatory division.

§393.2180.4

This section requires the department to “promulgate rules relating to environmental issues concerning, but not limited to, the construction, placement, and operation of a solar project.” Requirements of staff time and resources include setting up permitting process, receiving and reviewing applications from solar developers, collecting and managing fees for these reviews, conducting environmental reviews, issuing approvals or denials, tracking all requests and construction, and promulgating rules for the administration of these activities.

The DNR further states that the department will need to create a database for tracking permits and fees. Also, the DNR states that if there are fines/fee, they will increase total state revenue.

The breakdown is as follows: 1 Environmental Program Specialist at \$59,377 and associated fringe, Legal support totaling \$6,559 (10% of an FTE of salary \$78,701 for 10 months) and associated fringe for the rulemaking process, Office equipment and set-up \$4,425, Ongoing Expense and Equipment \$1,286. ITSD Database creation and maintenance, unknown cost.

Oversight does not have any information to the contrary. Therefore, Oversight will show the fiscal impact of 1 FTE as estimated by the DNR and a potential revenue gain of \$0 (if the moratorium is extended) or Unknown (if the moratorium is lifted and DNR’s newly propagated rules includes collection of fees) in the fiscal note.

Oversight notes this proposal would prohibit the construction of new solar projects and suspend ongoing projects, which would delay or prevent the addition of taxable real and personal property to local tax rolls, resulting in unknown local property tax revenue losses in FY27 and

FY28. and a \$0 (if the moratorium is lifted) or an Unknown (if the moratorium is continued) revenue loss in FY29.

Oversight notes the proposed moratorium ends December 31, 2027 (assuming the requirements under 393.2180.4 are met). Therefore, Oversight assumes the soonest the assessment on new solar projects could resume would be January 1, 2028 (FY 2029).

Oversight notes property tax revenues are designed to be relatively revenue neutral from year to year. The tax rate is adjusted relative to the assessed value to produce roughly the same revenue from the prior year with an allowance for growth. Therefore, this proposal may result in a higher tax rate relative to current law.

Oversight notes some taxing entities have tax rate ceilings that are at their statutory or voter approved maximum or are at a fixed rate. For these taxing entities, any decrease in the assessed values would not be offset by a higher tax rate (relative to current law), rather it would result in an actual loss of revenue.

Oversight notes some taxing entities will be able to increase the tax rate levied on other property to make up for the lost revenue from assessments for solar projects. Some may not be able to.

Oversight notes the Blind Pension Fund (1621) is calculated as an annual tax of three cents on each one hundred dollars valuation of taxable property $((\text{Total Assessed Value}/100)*.03)$. Because this proposal limits the assessed value portion of this equation, the Blind Pension Fund will experience a decrease in revenue relative to what it would have received under current law.

Oversight notes to reach a revenue impact of \$250,000 in the Blind Pension Fund would require a change in assessed value of approximately \$830,000,000. This would be approximately a 3.0% change in the assessed value of all commercial property. Oversight is unable to determine the number and size of affected solar projects. For fiscal note purposes, Oversight assumes the fiscal impact will not reach the \$250,000 threshold.

Oversight assumes that there could be an unknown loss of revenue to local entities due to permit fees no longer being collected during the solar moratorium in FY27 and FY28. Therefore, Oversight will reflect a \$0 (if the moratorium is lifted) or an Unknown (if the moratorium is continued) revenue loss in FY29.

Oversight notes section B adds an emergency clause stating the hazards relating to the construction and operation of solar projects, section A of this proposal is deemed necessary for the immediate preservation of the public health, welfare, peace, and safety, and is hereby declared to be an emergency act within the meaning of the constitution, and section A of this act shall be in full force and effect upon its passage and approval.

Officials from the **City of Kansas City** assume this proposed legislation has a potential negative fiscal impact of an indeterminate amount.

Officials from the **Department of Commerce and Insurance**, **Department of Social Services**, **State Tax Commission**, and **St Louis City Assessor** 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 similar legislation, SB 933 (2026), officials from the **Office of Administration - Budget and Planning** 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 this agency.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other local political subdivisions were requested to respond to this proposed legislation but did not. Upon the receiving additional 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. A general listing of political subdivisions included in our database is available upon request.

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)** note 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.

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
GENERAL REVENUE			
<u>Revenue – DNR (\$393.2180)</u> Collection of fees p.4	\$0	\$0	\$0 or Unknown
<u>Cost - DNR (\$393.2180) database creation p.3</u>	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Cost – DNR (\$393.2180) p.3</u>			
Personnel Service	(\$59,376)	(\$72,677)	(\$74,130)
Fringe Benefits	(\$35,756)	(\$43,766)	(\$44,641)
Expense & Equipment	(\$5,711)	(\$1,574)	(\$1,605)
<u>Total Cost – DNR</u>	<u>(\$100,843)</u>	<u>(\$118,017)</u>	<u>(\$120,376)</u>
FTE Change - DNR	1 FTE	1 FTE	1 FTE
ESTIMATED NET EFFECT ON GENERAL REVENUE	Could exceed <u>(\$100,843)</u>	Could exceed <u>(\$118,017)</u>	More or less than <u>(\$120,376)</u>
Estimated Net FTE Change to General Revenue	1 FTE	1 FTE	1 FTE
BLIND PENSION FUND (1621)			
<u>Revenue Loss – (\$393.2180) Loss of property tax revenue, moratorium on new solar projects p.4</u>	<u>(Unknown)</u>	<u>(Unknown)</u>	\$0 or <u>(Unknown)</u>
ESTIMATED NET EFFECT ON THE BLIND PENSION FUND (1621)	<u>(Unknown)</u>	<u>(Unknown)</u>	\$0 or <u>(Unknown)</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
LOCAL POLITICAL SUBDIVISIONS			
<u>Revenue Loss</u> – (\$393.2180) Loss of property tax revenue, moratorium on new solar projects p.4	(Unknown)	(Unknown)	\$0 or (Unknown)
<u>Revenue Loss</u> – (\$393.2180) Loss of permit fees collected for new solar projects p.4	(Unknown)	(Unknown)	(Unknown)
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	(Unknown)	(Unknown)	(Unknown)

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

The act provides that there shall be a moratorium on the construction of new and current solar projects in the state beginning the effective date of the act.

The Department of Natural Resources shall promulgate rules concerning environmental issues with respect to the construction, placement, and operation of a solar project.

The moratorium shall end on December 31, 2027. However, if the Department does not promulgate the rules before such date, the moratorium shall continue until such rules have been promulgated.

This act has an emergency clause.

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
 Department of Natural Resources
 Department of Social Services

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State Tax Commission
Office of the Secretary of State
Joint Committee on Administrative Rules
City of Kansas City
St Louis City Assessor

Julie Morff
Director

A handwritten signature in black ink, appearing to read "Jessica Harris". The signature is stylized with a large initial "J" and "H".

Jessica Harris
Assistant Director
February 2, 2026