

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4216-07  
Bill No.: Truly Agreed to and Finally Passed HCS for SB 1012  
Subject: Public Buildings; Contracts and Contractors; Energy  
Type: Original  
Date: May 8, 2002

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
None			
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
None			
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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

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## FISCAL ANALYSIS

### ASSUMPTION

In response to a similar proposal, officials from the **Office of the Governor, Office of the Lieutenant Governor, Missouri House of Representatives, Missouri Senate, State Auditor's Office, Secretary of State's Office, State Treasurer's Office, Office of the Attorney General, Office of Prosecution Services, Office of the State Courts Administrator, Missouri Tax Commission, Missouri Ethics Commission, Missouri Gaming Commission, Office of Administration - Divisions of Design and Construction and Facilities Management, Departments of Corrections, Higher Education, Insurance, Labor and Industrial Relations, Conservation, Economic Development, Elementary and Secondary Education, Revenue, Public Safety, Transportation, Social Services, Missouri Consolidated Health Care Plan, Public School and Non-Teacher School Employee Retirement Systems, Linn State Technical College, Truman State University, Missouri Western State College, University of Missouri, and the Central Missouri State University** assume the proposed legislation would have no fiscal impact on their agencies.

In response to a similar proposal, officials from the **Department of Agriculture** defer to the Office of Administration's determination of fiscal impact.

In response to a similar proposal, officials from the **Department of Mental Health (DMH)** note although there may be non-quantifiable benefits to the Department, such as reduction of maintenance services, this proposal would result in essentially zero impact. DMH assumes term payments would have to be appropriated through capital or operating budgets and documental cost savings would be reduced from core; therefore, no significant fiscal impact is expected.

In response to a similar proposal, officials from the **Department of Health and Senior Services (DOH)** assume the proposal would not affect their agency because they do not own any buildings. DOH notes the lengths of leases typically run seven to 10 years and are handled by Office of Administration - Division of Facilities Management.

Officials from the **Department of Natural Resources (DNR)** note by extending the maximum duration of energy saving performance contracts that governmental units are allowed to enter into, the potential for savings is increased. DNR states the current limit of 10 years precludes the use of performance contracts as a source of financing for projects where the cost of the project cannot be recovered by savings within 10 years. DNR assumes by increasing the limit to 15 years results in a wider range of projects that can be pursued, resulting in additional savings in the operation of governmental facilities. DNR states they are unable to provide an informed estimate of the frequency this contracting tool will be used, and as a result, the department cannot provide a specific

ASSUMPTION (continued)

estimate of the savings that would result if the proposal is passed. DNR states the proposal would not have a direct fiscal impact on their agency.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small businesses could find expanded opportunities to provide services to governmental units that result in energy savings.

DESCRIPTION

This proposal extends the period of payments from ten to 15 years on guaranteed energy cost savings contracts.

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

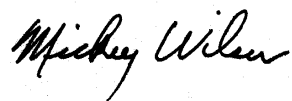
SOURCES OF INFORMATION

Office of the Governor  
Office of the Lieutenant Governor  
Missouri House of Representatives  
SOURCES OF INFORMATION (continued)

Missouri Senate

KLR:LR:OD (12/01)

State Auditor's Office  
Secretary of State's Office  
State Treasurer's Office  
Office of the Attorney General  
Office of Prosecution Services  
Office of the State Courts Administrator  
Missouri Tax Commission  
Missouri Ethics Commission  
Missouri Gaming Commission  
Office of Administration  
    Design and Construction  
    Facilities Management  
Department of Corrections  
Department of Higher Education  
Department of Insurance  
Department of Labor and Industrial Relations  
Department of Conservation  
Department of Economic Development  
Department of Elementary and Secondary Education  
Department of Revenue  
Department of Public Safety  
Department of Transportation  
Department of Social Services  
Department of Natural Resources  
Department of Agriculture  
Department of Mental Health  
Department of Health and Senior Services  
Public School and Non-Teacher School Employee Retirement Systems  
Missouri Consolidated Health Care Plan  
Linn State Technical College  
Truman State University  
University of Missouri  
Central Missouri State University  
Missouri Western State College



Mickey Wilson, CPA  
Acting Director

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