

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3779-01
Bill No.: HB 1340
Subject: Energy; Public Service Commission; Utilities
Type: Original
Date: March 3, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Department of Economic Development - Public Service Commission (PSC)** state cities owning natural gas systems would be subject only to penalties related to natural gas safety laws, rules or orders. Maximum penalties for violations of federally mandated natural gas safety standards could go up to \$10,000 for each violation with several considerations in setting this amount outlined. PSC is not requesting additional resources due to this proposal.

Officials of the **Department of Economic Development - Office of the Public Counsel (OPC)** state although this bill has some impact on OPC, OPC should be able to absorb the changes; however, if the requirements of this bill are combined with additional requirements or changes OPC may incur a fiscal impact.

City of Kansas City (CKC) officials assume this bill addresses cities that operate a municipal gas utility. CKC does not operate such a facility, therefore, the bill does not have an impact on CKC.

Oversight assumes cities owning natural gas systems would follow the provisions of the constitution of this state and any other laws of the state and therefore **Oversight** will show no revenue impact from this legislation.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

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

DESCRIPTION

Currently, any public utility that violates the State Constitution or law or which fails to comply with any order of the Missouri Public Service Commission in which a penalty is not provided for in statute is subject to a penalty of \$100 to \$2,000 per offense.

This proposal states that a municipality that owns a gas plant will be subject to penalties only for violations of natural gas safety laws. The maximum penalty for violations of the federally mandated natural gas safety standards is \$10,000 per violation and for any series of related violations. The proposal explains what factors the commission must consider when determining the amount of the penalty.

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

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SOURCES OF INFORMATION

Department of Economic Development
Public Service Commission
Office of the Public Counsel
City of Kansas City

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
March 3, 2004