

HCS#2 SB 848 -- ANIMALS AND ENERGY

SPONSOR: Barnitz (Loehner)

COMMITTEE ACTION: Voted "do pass" by the Committee on Agriculture Policy by a vote of 8 to 2.

This substitute changes the laws regarding animals and energy.

RIGHT TO RAISE ANIMALS (Section 262.005, RSMo)

The substitute affirms that it will be the right of Missouri citizens to raise domesticated animals in a humane manner without the state imposing an undue economic burden on the owners.

MISSOURI ANIMAL CARE ADVISORY COMMITTEE (Section 267.810)

The Missouri Animal Care Advisory Committee is established within the Department of Agriculture to review and make recommendations on the welfare of poultry, livestock, and licensed dog breeding facilities in this state. The 19-member committee will include the chairs of the Senate Agriculture Committee and the House of Representatives Agriculture Committee as nonvoting members.

The committee must review the animal care practices related to poultry, livestock, and licensed dog breeding facilities and, when necessary, make recommendations to the General Assembly. When reviewing these practices, the committee must consider:

- (1) The health and husbandry of poultry, livestock, and dogs at licensed breeding facilities;
- (2) Generally accepted farm management practices;
- (3) Generally accepted veterinary standards and practices;
- (4) The economic impact on poultry and livestock farmers, licensed dog breeders, consumers, and the affected sector as a whole; and
- (5) Species specific animal care guidelines established by the respective national poultry, livestock, and licensed dog breeders organizations.

The committee must review national species specific animal care guidelines once every five years.

LICENSURE AND REGULATION OF ANIMAL CARE FACILITIES (Sections 273.327 and 273.329)

The substitute changes the laws regarding the Animal Care Facilities Act. The substitute:

(1) Removes the exemption for animal shelters from the required annual licensure fee; and

(2) Prohibits the Department of Agriculture from retaining, contracting with, or otherwise utilizing the services of the personnel of any nonprofit organization for the purpose of inspecting or licensing a shelter, pound, kennel, breeder, pet shop, or any animal care facility subject to the provisions of the act.

#### OFFICE OF PUBLIC COUNSEL (Section 386.715)

An assessment-based funding mechanism is created for the Office of the Public Counsel. Prior to the beginning of each fiscal year, the counsel must make available to the Missouri Public Service Commission an estimate of the expenses to be incurred during the year which are reasonably attributable to the regulation of public utilities under Sections 386.700 and 386.710, RSMo, a separate estimate of expenses directly attributable to the various public utility groups, and the amount of expenses not directly attributable to these groups.

The calculation of the assessments is specified in the substitute with the amount allocated to telephone corporations limited to no more than 10% of the total estimated expenses and the total amount of the counsel's assessment limited at two hundredths of 1% of the total gross intrastate operating revenues of all utilities regulated by the commission. In order for the counsel to make the allocations and assessments, every commission-regulated public utility must file with the commission a statement under oath of its gross intrastate operating revenues on or before March 31 of each year for the preceding calendar year. If a utility fails to timely file a statement, the commission will estimate the revenues.

A statement of the assessments must be rendered by the commission on behalf of the counsel to each public utility on or before July 1 with the amount assessed paid by July 15 or, if the utility elects, in four equal installments throughout the fiscal year. The moneys from the assessments will be deposited into the newly created Public Counsel Fund solely for the payment of expenditures actually incurred by the counsel. Moneys remaining in the fund will not revert to the General Revenue Fund.

#### RATE CASES BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION (Section 393.150)

The substitute reduces from 120 days to 90 days the time period that the Missouri Public Service Commission can suspend a rate change filed with the commission by a gas, electrical, water, or sewer corporation in order to hold a hearing. The commission may extend the suspension for no more than two months if a hearing cannot be conducted within the period of the suspension. Currently, the suspension can be extended for a period not to exceed six months.

The commission is required to issue its decision at least 20 days prior to the end of the suspension period, and the order will be effective 10 days after its issuance. The corporation must file new rate schedules at least five business days prior to the end of the suspension period, and the new schedules must take effect no later than the first day following the end of the suspension period unless rejected by the commission or a rehearing is pending. If the schedules are rejected by the commission, the corporation is permitted to file replacement schedules in order to comply with the commission's order which must also take effect automatically on the proposed effective date.

If the commission further suspends a rate schedule, it must determine the new rate using certain information updated as of 60 days prior to the end of the suspension period.

#### RENEWABLE ENERGY STANDARD (Sections 393.1025 and 393.1030)

Currently, the Missouri Public Service Commission and the Department of Natural Resources are required to make rules to satisfy the provisions of the Renewable Energy Standard, commonly known as Proposition C, passed by voters in November 2008. The substitute revises the definition of "renewable energy resources" to include methane from agricultural operations and thermal depolymerization or pyrolysis for converting waste material to energy. The commission and the department must include methane generated from the anaerobic digestion of farm animal waste and thermal depolymerization or pyrolysis for converting waste material to energy as renewable energy resources as it relates to the production requirements of the standard.

The substitute contains an emergency clause for the provisions regarding the Office of Public Counsel and rate cases before the Missouri Public Service Commission.

FISCAL NOTE: Estimated Income on General Revenue Fund of \$1,130,672 in FY 2011, \$1,225,672 in FY 2012, and \$1,225,672 in FY 2013. Estimated Income on Other State Funds of \$95,000 in FY 2011, FY 2012, and FY 2013.

PROPONENTS: Supporters say that the use of animal waste for

methane production benefits the livestock industry by providing additional revenue, uses energy currently being wasted, is environmentally friendly, lessens the need to import renewable energy to satisfy possible federal requirements, reduces the odor associated with livestock production, and produces a high-grade fertilizer as a byproduct.

Testifying for the bill were Senator Barnitz; Don Nickodin, Missouri Pork Association; Missouri Energy Development Association; Missouri Cattlemens Association; Midwest Alliance for Renewable Energy; and Association of Missouri Electric Cooperatives.

OPPONENTS: There was no opposition voiced to the committee.

OTHERS: Others testifying on the bill say methane derived from animal waste was not included in 2008 legislation because of the controversial nature of confinement animal agriculture. Wind and natural gas as renewable sources of energy are cost efficient if the current federal subsidies continue to be available.

Testifying on the bill was Patrick Wilson.