

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2747H.02I
Bill No.: HB 1415
Subject: Utilities; Energy
Type: Original
Date: March 31, 2021

Bill Summary: This proposal modifies provisions for utility rate adjustment.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
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 2022	FY 2023	FY 2024
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
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 2022	FY 2023	FY 2024
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Commerce and Insurance** and the **Office of Administration** each assume the proposal would not fiscally impact their respective agencies.

Officials from the **Department of Revenue (DOR)** state that under Missouri law, changes to a utility's "base rates" are approved by the Missouri Public Service Commission based, in part, on a "revenue requirement" which has an "income tax component." This proposal establishes procedures for utilities to adjust the base rate when there has been new tax legislation (Missouri or federal) that impacts the income tax component of the revenue requirement after a base rate is already established.

This bill's provisions are triggered by the passage of new tax legislation after a utility's base rates are already set. Since the bill applies only after action by the US Congress or the Missouri General Assembly, and governs procedures by utilities overseen by the Public Service Commission, this bill will have no impact on the Department of Revenue.

Officials from the DOR 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.

Officials from the **Missouri Department of Conservation** state this legislation could have an unknown fiscal impact on their organization.

Oversight assumes this legislation will have no fiscal impact on MDC and therefore will not reflect the unknown cost estimate provided.

Officials from the **Office of Administration - Budget and Planning**, the **Missouri Department of Transportation** and the **State Tax Commission** 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.

<u>FISCAL IMPACT –</u> <u>State Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
	<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.

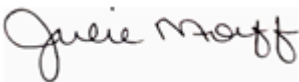
FISCAL DESCRIPTION

The proposed legislation appears to have no direct fiscal impact.

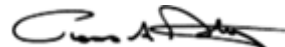
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of Administration - Budget and Planning
Department of Commerce and Insurance
Department of Revenue
Missouri Department of Conservation
Missouri Department of Transportation
Office of Administration
State Tax Commission



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March 31, 2021



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March 31, 2021