

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2477H.011
Bill No.: HB 1152
Subject: Water Resources and Water Districts; Utilities
Type: Original
Date: March 5, 2023

Bill Summary: This proposal modifies provisions for water service connection.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
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 2024	FY 2025	FY 2026
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
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 2024	FY 2025	FY 2026
Local Government	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Commerce and Insurance**, the **Office of Administration** and the **Wayne County Pwsd** 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.

Officials from the **Lexington Water District** and the **Morgan County PWS** each assume this proposal will have a fiscal impact on their water district.

Oversight assumes this proposal modifies the definition of a “large water public utility” to include any public utility that regularly provides water service, sewer service or a combination of either to more than 8,000 customer connections and also specifies that a large water public utility may file with the PSC for a water and sewer infrastructure rate adjustment.

According to the PSC “FY 2022 Water/Sewer Companies Regulated by the Missouri Public Service Commission Report”, this legislation would currently allow 2 additional combination water and sewer companies (Confluence Rivers Utility Operating Co. and Liberty Utilities) to be defined as a “large water public utility”. Oversight assumes these newly defined companies could file for a water and sewer infrastructure rate adjustment which could increase utility cost to local political subdivisions.

Oversight will reflect a range from \$0 (no utility will increase rates) to an unknown cost to local political subdivisions for higher utility costs, however, Oversight assumes the potential increase in utility cost will be under \$250,000.

Oversight only reflects the responses received from state agencies and political subdivisions; however, other cities, counties and local utility companies were requested to respond to this proposed legislation but did not. A listing of political subdivisions included in the Missouri Legislative Information System (MOLIS) database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
LOCAL POLITICAL SUBDIVISIONS			
<u>Cost - Local Governments</u> Potential increase in electric utility costs	\$0 to <u>(Unknown)</u>	\$0 to <u>(Unknown)</u>	\$0 to <u>(Unknown)</u>
ESTIMATED NET EFFECT TO LOCAL POLITICAL SUBDIVISIONS	\$0 to <u>(Unknown)</u>	\$0 to <u>(Unknown)</u>	\$0 to <u>(Unknown)</u>

FISCAL IMPACT – Small Business

Small businesses could have an increase in utility cost as a result of this proposal.

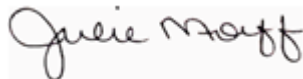
FISCAL DESCRIPTION

This bill modifies the definition of "large water public utility" to include any public utility that regularly provides water service, sewer service, or a combination of either to more than 8,000 customer connections and specifies that a large water public utility may file with the Public Service Commission for a Water and Sewer Infrastructure Rate Adjustment


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
 Office of Administration
 Lexington Water/Wastewater
 Morgan County Pwsd
 Wayne County Pwsd



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 Director
 March 5, 2023



Ross Strope
 Assistant Director
 March 5, 2023