

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5356H.02C  
 Bill No.: HCS for HB 2541  
 Subject: Utilities; Energy  
 Type: Original  
 Date: February 23, 2024

Bill Summary: This proposal creates provisions relating to electric utilities.

**FISCAL SUMMARY**

| <b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>          |                             |                             |                             |
|--------------------------------------------------------------|-----------------------------|-----------------------------|-----------------------------|
| FUND AFFECTED                                                | FY 2025                     | FY 2026                     | FY 2027                     |
| General Revenue*                                             | \$0 to<br>(Unknown)         | \$0 to<br>(Unknown)         | \$0 to<br>(Unknown)         |
| <b>Total Estimated<br/>Net Effect on<br/>General Revenue</b> | <b>\$0 to<br/>(Unknown)</b> | <b>\$0 to<br/>(Unknown)</b> | <b>\$0 to<br/>(Unknown)</b> |

\*This bill could increase utility costs to state departments and local governments if rate changes are made as a result of these new standards. Oversight assumes the \$250,000 threshold would not be met.

| <b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>                      |                             |                             |                             |
|-----------------------------------------------------------------------|-----------------------------|-----------------------------|-----------------------------|
| FUND AFFECTED                                                         | FY 2025                     | FY 2026                     | FY 2027                     |
| Other State Funds*                                                    | \$0 to<br>(Unknown)         | \$0 to<br>(Unknown)         | \$0 to<br>(Unknown)         |
| <b>Total Estimated<br/>Net Effect on <u>Other</u><br/>State Funds</b> | <b>\$0 to<br/>(Unknown)</b> | <b>\$0 to<br/>(Unknown)</b> | <b>\$0 to<br/>(Unknown)</b> |

\*Oversight assumes the \$250,000 threshold would not be met.

Numbers within parentheses: () indicate costs or losses.

| <b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>                  |                |                |                |
|---------------------------------------------------------------|----------------|----------------|----------------|
| <b>FUND AFFECTED</b>                                          | <b>FY 2025</b> | <b>FY 2026</b> | <b>FY 2027</b> |
|                                                               |                |                |                |
|                                                               |                |                |                |
| <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 FULL TIME EQUIVALENT (FTE)</b> |                |                |                |
|-----------------------------------------------------------|----------------|----------------|----------------|
| <b>FUND AFFECTED</b>                                      | <b>FY 2025</b> | <b>FY 2026</b> | <b>FY 2027</b> |
|                                                           |                |                |                |
|                                                           |                |                |                |
| <b>Total Estimated Net Effect on FTE</b>                  | <b>0</b>       | <b>0</b>       | <b>0</b>       |

- 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.

| <b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b> |                         |                         |                         |
|--------------------------------------------|-------------------------|-------------------------|-------------------------|
| <b>FUND AFFECTED</b>                       | <b>FY 2025</b>          | <b>FY 2026</b>          | <b>FY 2027</b>          |
|                                            |                         |                         |                         |
| <b>Local Government</b>                    | <b>\$0 to (Unknown)</b> | <b>\$0 to (Unknown)</b> | <b>\$0 to (Unknown)</b> |

**FISCAL ANALYSIS**

**ASSUMPTION**

Officials from the **Department of Commerce and Insurance** 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 **Office of Administration - Facilities Management, Design and Construction (FMDC)** assume there would be a fiscal impact to the State's utility costs. However, without more information FMDC is unable to calculate the impact this would have on statewide utility costs for consolidated facilities managed by FMDC; \$0 to unknown impact

**Oversight** assumes this proposal could potentially increase utility cost for the Office of Administration as well as other state agencies and local governments. Since it is unknown how much of a rate increase will be authorized (if any), Oversight will reflect a range from \$0 (rate increases will not occur) to an unknown cost to the state and local political subdivisions for higher utility costs.

Officials from the **Missouri Department of Transportation, Kansas City, the Metropolitan St. Louis Sewer District, the South River Drainage District** and the **St. Charles 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.

In response to a previous version, officials from the **Missouri Department of Conservation** assumed 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.

| <u>FISCAL IMPACT – State Government</u>                                                | FY 2025<br>(10 Mo.)        | FY 2026                    | FY 2027                    |
|----------------------------------------------------------------------------------------|----------------------------|----------------------------|----------------------------|
| <b>GENERAL REVENUE FUND</b>                                                            |                            |                            |                            |
| <u>Cost - Office of Administration</u><br>Potential increase in electric utility costs | \$0 to<br><u>(Unknown)</u> | \$0 to<br><u>(Unknown)</u> | \$0 to<br><u>(Unknown)</u> |
| <b>ESTIMATED NET EFFECT TO<br/>THE GENERAL REVENUE FUND</b>                            | <b><u>\$0 to</u></b>       | <b><u>\$0 to</u></b>       | <b><u>\$0 to</u></b>       |

|                                                                                      |                                    |                                    |                                    |
|--------------------------------------------------------------------------------------|------------------------------------|------------------------------------|------------------------------------|
|                                                                                      | <u>(Unknown)</u>                   | <u>(Unknown)</u>                   | <u>(Unknown)</u>                   |
|                                                                                      |                                    |                                    |                                    |
|                                                                                      |                                    |                                    |                                    |
| <b>VARIOUS STATE FUNDS</b>                                                           |                                    |                                    |                                    |
|                                                                                      |                                    |                                    |                                    |
| <u>Cost - Various State Agencies</u><br>Potential increase in electric utility costs | \$0 to<br><u>(Unknown)</u>         | \$0 to<br><u>(Unknown)</u>         | \$0 to<br><u>(Unknown)</u>         |
|                                                                                      |                                    |                                    |                                    |
| <b>ESTIMATED NET EFFECT TO VARIOUS STATE FUNDS</b>                                   | <b>\$0 to<br/><u>(Unknown)</u></b> | <b>\$0 to<br/><u>(Unknown)</u></b> | <b>\$0 to<br/><u>(Unknown)</u></b> |

|                                                                                 |                                    |                                    |                                    |
|---------------------------------------------------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| <u>FISCAL IMPACT – Local Government</u>                                         | FY 2025<br>(10 Mo.)                | FY 2026                            | FY 2027                            |
| <b>LOCAL POLITICAL SUBDIVISIONS</b>                                             |                                    |                                    |                                    |
|                                                                                 |                                    |                                    |                                    |
| <u>Cost - Local Governments</u><br>Potential increase in electric utility costs | \$0 to<br><u>(Unknown)</u>         | \$0 to<br><u>(Unknown)</u>         | \$0 to<br><u>(Unknown)</u>         |
|                                                                                 |                                    |                                    |                                    |
| <b>ESTIMATED NET EFFECT TO LOCAL POLITICAL SUBDIVISIONS</b>                     | <b>\$0 to<br/><u>(Unknown)</u></b> | <b>\$0 to<br/><u>(Unknown)</u></b> | <b>\$0 to<br/><u>(Unknown)</u></b> |

FISCAL IMPACT – Small Business

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

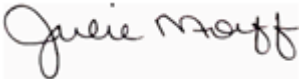
FISCAL DESCRIPTION

This proposal modifies provisions relating to electric utilities.

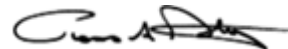
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Commerce and Insurance  
Department of Natural Resources  
Missouri Department of Conservation  
Missouri Department of Transportation  
Office of Administration  
Kansas City  
Metropolitan St. Louis Sewer District  
South River Drainage District  
St. Charles County Pwsd



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February 23, 2024



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