

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2641H.011
Bill No.: HB 1155
Subject: Boards, Commissions, Committees, and Councils; Political Subdivisions;
Contracts and Contractors; Energy; Property, Real and Personal; Taxation and
Revenue - Property; Utilities; Department of Commerce and Insurance,
Type: Original
Date: February 16, 2025

Bill Summary: This proposal modifies provisions of the "Property Assessment Clean
Energy Act".

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
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 2026	FY 2027	FY 2028
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
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 2026	FY 2027	FY 2028
Local Government*	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)

***Oversight** notes that there could be an unknown positive effect (expansion of commercial assessments) to an unknown negative effect (loss of residential property assessments) to local funds.

FISCAL ANALYSIS

ASSUMPTION

Sections 67.2810, 67.2815, 67.2817, 67.2830, and 67.2840 – “Property Assessment Clean Energy Act”.

Oversight notes that there could be an unknown positive effect (expansion of commercial assessments) to an unknown negative effect (loss of residential property assessments) to local funds.

Officials from **Office of Administration - Budget and Planning (B&P)** state that this bill has no direct impact on B&P or on general and total state revenues.

Officials from the **Department of Commerce and Insurance**, the **State Tax Commission**, the **Department of Natural Resources**, the **Department of Revenue**, the **City of O’Fallon**, and the **City of Kansas City** each assume the proposal will have no fiscal impact on their respective organizations.

Oversight notes that the above-mentioned agencies have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note.

Oversight only reflects the responses received from state agencies and political subdivisions; however, other local agencies 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 2026 (10 Mo.)	FY 2027	FY 2028
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
LOCAL POLITICAL SUBDIVISIONS			
<u>Cost § 67.2810 – Municipalities Clean Energy Development Board changes</u>	Unknown to <u>(Unknown)</u>	Unknown to <u>(Unknown)</u>	Unknown to <u>(Unknown)</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
ESTIMATED NET EFFECT TO LOCAL POLITICAL SUBDIVISIONS	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)

FISCAL IMPACT – Small Business

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

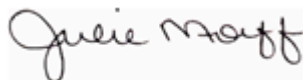
FISCAL DESCRIPTION

This bill revises the Property Assessment Clean Energy Act by making it inapplicable to residential property. The bill provides guidance for any residential properties approved for the program between January 1, 2022, and August 28, 2025. The bill clarifies that a clean energy development board can acquire loans or assessment contracts from other states and their municipalities and political subdivisions to serve a common purpose of providing financing support or credit enhancement for any project. The bill also changes the maximum financing duration on commercial property assessment clean energy loans from 20 years to 30 years.

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
 Department of Revenue
 Office of Administration - Budget and Planning
 State Tax Commission
 City of Kansas City
 City of O’Fallon



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 Director
 February 16, 2025



Jessica Harris
 Assistant Director
 February 16, 2025