

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2815H.03C  
Bill No.: HCS for HB Nos. 1263 & 1124  
Subject: Energy; Utilities; Aircraft and Airports  
Type: Original  
Date: April 3, 2025

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Bill Summary: This proposal requires wind energy systems to apply to the Federal Aviation Administration for light-mitigating technology.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
General Revenue*	(\$234,525)	(\$281,326)	(\$286,187)
<b>Total Estimated Net Effect on General Revenue*</b>	<b>(\$234,525)</b>	<b>(\$281,326)</b>	<b>(\$286,187)</b>

\***Oversight** notes the impact is for the 1 FTE required for the Department of Natural Resources.

\***Oversight** assumes this proposal could increase utility costs to state departments and local governments if rate changes are made as a result of these new standards. Oversight assumes this would have an indirect impact and therefore will not show the impact in the fiscal note.

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

Numbers within parentheses: () indicate costs or losses.

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

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
General Revenue Fund (DNR)	1 FTE	1 FTE	1 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>1 FTE</b>	<b>1 FTE</b>	<b>1 FTE</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.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
<b>Local Government*/**</b>	<b>\$0 or Unknown</b>	<b>\$0 or Unknown</b>	<b>\$0 or Unknown</b>

\***Oversight** assumes this proposal could increase utility costs to state departments and local governments if rate changes are made as a result of these new standards. Oversight assumes this would have an indirect impact and therefore will not show the impact in the fiscal note.

\*\***Oversight** assumes that the impact is from the possible fines issued for noncompliance of the installation of the light-mitigation technology.

## **FISCAL ANALYSIS**

### **ASSUMPTION**

#### **Section 393.2600 - Requires wind energy systems to apply to the Federal Aviation Administration (FAA) for light-mitigating technology**

Officials from the **Office of Administration - Facilities Management, Design and Construction (FMDC)** assumed that this bill could increase utility costs to all state departments and local governments if rate changes are made. Without additional information, FMDC is unable to accurately calculate the impact of this bill; therefore, the impact is \$0 to unknown.

FMDC notes the impact is due to any costs associated with the installation, implementation, operation, and maintenance of a light-mitigating technology system shall be the responsibility of the developer, owner, or operator of the wind energy conversion system. These costs could then be passed on to the consumer. Additional costs could be added if the developer, owner, or operator does not install the technology in the appropriate timeframe as those costs could be passed on.

**Oversight** assumes this proposal could increase utility costs to state departments and local governments if rate changes are made as a result of these new standards. Oversight assumes this would have an indirect impact and therefore will not show the impact in the fiscal note.

Officials from the **Department of Natural Resources (DNR)** state that the Division of Energy (DE) is not specifically recognized in the bill language as the agency under DNR responsible for administering fines to developers, owners, or operators of wind energy conversion systems who fail to install light-mitigating technology. If it is decided that the Division of Energy will be the designated agency, there will be a cost to the Division for tracking installation of light mitigation technology, issuing and tracking of fines for non-compliance, and for any rulemaking associated with this process.

#### **§393.2600.7**

This section requires “Any developer, owner, or operator of a wind energy conversion system that is approved to install light-mitigating technology but does not install such approved light-mitigating technology in the time frames established in subsections 3 and 5 of this section shall be liable for a fine of five thousand dollars per day per wind turbine until the developer, owner, or operator installs the light-mitigating technology as approved.”

Requirements of staff time and resources include tracking timely installation of light-mitigating technology, establishing a uniform schedule for submitting notice of delay to DE, tracking fines owed and establishing a method of collection, and promulgating rules and regulations for the administration of these requirements. As of February 2025, there are 1,108 wind turbines in the State of Missouri. Construction for these started in 2007 for an average number of 61 turbines constructed per year.

The Division of Energy is a policy driven division and if they were responsible for implementing this provision, it would move them to a regulatory division. The fiscal impact would be approximately \$242,510 for the first year. The breakdown is as follows:

- 1 Environmental Program Specialist at \$68,381 and associated fringe
- Legal support totaling \$7,870 (10% of an FTE of salary \$78,701) and associated fringe for the rulemaking process.
- Office equipment and set-up \$4,425
- Ongoing Expense and Equipment \$1,286
- ITSD Database creation and maintenance \$141,667

Upon further inquiry, DNR does not have a way to estimate how many might be planned to be installed after August 28, 2025; but it may be possible to estimate whether the regulated utilities are planning any through the Integrated Resource Plans that they submit to PSC.

DNR also states that the expected capacity for Ameren between 2026 and 2035 is 2,000 MW, but unclear where that will be & cannot say how many turbines that would equal.

**Oversight** assumes the DNR is provided with core funding to handle a certain amount of activity each year. Oversight assumes the DNR could absorb the costs related to the legal counsel support. If multiple bills pass which require additional staffing and duties at substantial costs, DNR could request funding through the appropriation process. Therefore, Oversight will only reflect the 1 FTE for the Environmental Program Specialist requested.

**Oversight** notes that §393.2600.7 states “Any developer, owner, or operator of a wind energy conversion system that is approved to install light-mitigating technology but does not install such approved light-mitigating technology in the time frames established in subsections 3 and 5 of this section shall be liable for a fine of five thousand dollars per day per wind turbine until the developer, owner, or operator installs the light-mitigating technology as approved.”

**Oversight** notes that Article IX, Section 7 of the Missouri Constitution requires fines to be distributed to the school district where the violation occurred; therefore, Oversight will reflect a positive fiscal impact of \$0 to Unknown to local school districts on the fiscal note. Therefore, Oversight will reflect a zero (compliant) or unknown revenue gain for the collection of fines in the fiscal note.

Officials from the **Department of Commerce and Insurance**, the **Missouri Department of Conservation** and the **Missouri Department of Transportation** each assume the proposal will have no fiscal impact on their respective organizations.

Officials from the **City of Kansas City**, the **Metropolitan St. Louis Sewer District - 7B Sewer**, the **Morgan County PWSD #2**, the **South River Drainage District - 7D Levee**, the **St. Charles**

**County PWSD #2 - 7A Water**, and the **Wayne County PWSD #2** each assume the proposal will have no fiscal impact on their respective organizations.

**Oversight** notes Section 393.2600.6 states any costs associated with the installation, implementation, operation, and maintenance of a light-mitigating technology system shall be the responsibility of the developer, owner, or operator of the wind energy conversion system. 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.

#### Rule Promulgation

Officials from the **Joint Committee on Administrative Rules** assume this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials from the **Office of the Secretary of State (SOS)** note many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with its core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
<b>GENERAL REVENUE FUND (0101)</b>			
<u>Cost – DNR - §393.2600.7 p. 3-4</u>			
Personal Service	(\$52,818)	(\$64,649)	(\$65,492)
Fringe Benefits	(\$34,329)	(\$41,703)	(\$42,222)
Equipment and Expense	(\$5,711)	(\$1,574)	(\$1,605)
Total Cost – DNR	(\$92,858)	(\$107,926)	(\$109,319)
FTE Change – DNR	1 FTE	1 FTE	1 FTE
<u>Cost – Creation of new database by ITSD</u>	(\$141,667)	(\$173,400)	(\$176,868)
<b>ESTIMATED NET EFFECT TO GENERAL REVENUE FUND</b>	<b><u>(\$234,525)</u></b>	<b><u>(\$281,326)</u></b>	<b><u>(\$286,187)</u></b>
Estimated Net FTE Change to the General Revenue Fund	1 FTE	1 FTE	1 FTE

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
<b>LOCAL POLITICAL SUBDIVISIONS</b>			
<u>Revenue – School Districts - Fines collected for noncompliance p.4</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
<b>ESTIMATED NET EFFECT TO LOCAL POLITICAL SUBDIVISIONS</b>	<b><u>\$0 or Unknown</u></b>	<b><u>\$0 or Unknown</u></b>	<b><u>\$0 or Unknown</u></b>

#### FISCAL IMPACT – Small Business

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

#### FISCAL DESCRIPTION

This bill prohibits a new "Wind Energy Conversion System", as defined in the bill, to begin commercial operations after August 28, 2025, unless that developer, owner, or operator applies

to the Federal Aviation Administration (FAA) for installation of a light mitigating technology system. If the installation is approved by the FAA, the developer, owner, or operator of such wind energy conversion system must install the light-mitigating technology system on approved turbines within 24 months of approval.

Prior to August 28, 2030, any developer, owner, or operator of a commercial wind energy conversion system without a light-mitigating technology system must apply to the FAA for installation and operation of a system within six months of a new power offtake agreement. If the installation is approved by the FAA, the developer, owner, or operator must install the system on approved turbines within 24 months of approval.

Any vendor selected for installation of a light-mitigating technology system must provide to the Department of Natural Resources notice of the progress of the installation of the system. If the installation is delayed beyond the 24-month requirement, the vendor must provide notice to the Department at least every three months, with an update on the reasons for the delay and current status of installation. Any costs associated with the installation, implementation, operation, and maintenance of the system must be the responsibility of the developer, owner, or operator of the wind energy conversion system.

Any developer, owner, or operator of a wind energy conversion system that is approved to install light-mitigating technology but does not install such approved light-mitigating technology in the time frames established in subsections 3 and 5 of this section shall be liable for a fine of five thousand dollars per day per wind turbine until the developer, owner, or operator installs the light-mitigating technology as approved.

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  
Office of the Secretary of State  
Joint Committee on Administrative Rules  
City of Kansas City  
Metropolitan St. Louis Sewer District - 7B Sewer  
Morgan County PWSD #2  
South River Drainage District - 7D Levee  
St. Charles County PWSD #2 - 7A Water  
Wayne County PWSD #2



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April 3, 2025



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