

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6274H.011
 Bill No.: HB 2598
 Subject: Utilities; Energy
 Type: Original
 Date: March 3, 2026

Bill Summary: This proposal creates provisions relating to nuclear energy projects.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Missouri Advanced Nuclear Development Fund*	\$0 or (Could substantially exceed \$573,086)	\$0 or (Could substantially exceed \$618,733)	\$0 or (Could substantially exceed \$628,274)
Total Estimated Net Effect on <u>Other</u> State Funds	\$0 or (Could substantially exceed \$573,086)	\$0 or (Could substantially exceed \$618,733)	\$0 or (Could substantially exceed \$628,274)

*Oversight assumes the fiscal impact would consist of grant awards to eligible nuclear energy projects (up to \$100,000,000 per grant) and the cost of 4 FTE requested by the Department of Natural Resources to administer the new program. Oversight is uncertain as to the revenue source outside gifts, grants, tax credits or donations, with no other revenue source for the program fund. For simplicity, Oversight will reflect the impact as a cost to the newly created fund.

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Missouri Advanced Nuclear Development Fund	4 FTE	4 FTE	4 FTE
Total Estimated Net Effect on FTE	4 FTE	4 FTE	4 FTE

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 2027	FY 2028	FY 2029
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§§640.800 - 640.802 - The "Missouri Nuclear Energy Advancement Act"

Officials from the **Department of Natural Resources (DNR)** state that per §640.801.1 of the proposed bill, “The governor shall establish the Missouri advanced nuclear energy office within the department of natural resources”.

The Division of Energy is not specifically recognized in the bill language as the division responsible for administering the Missouri advanced nuclear energy office, however, this fiscal analysis makes the assumption that the Division of Energy would be the division responsible for administering the office. The proposed bill limits the office's annual budget to \$750,000 for the first year, which they assume will come from General Revenue.

The breakdown of the estimated costs associated with administering the office is as follows:

- 1 Director - \$110,000,
- 1 Administrative Support Professional - \$45,061,
- 1 Environmental Program Specialist - \$59,447,
- 1 Environmental Program Analyst - \$52,170 and associated fringe,
- Legal support totaling \$9,225 (10% of an FTE of salary \$92,245 and associated fringe) for the rulemaking process.
- Year 1 Office equipment and set-up - \$79,955
- Ongoing Expense and Equipment \$42,123,
- ITSD Database creation and ongoing maintenance \$141,667.

Some areas to note:

1. This proposed legislation would create two sources of funds for the New Division. \$750,000 for Administration, and the "Missouri advanced nuclear development fund" to issue grants which will have \$0.00 in year 1, unless funds are appropriated to it. The staff will have to apply for grants from federal and other sources to build this fund.

2. 640.801.9 “For a project involving the commission of an advanced nuclear reactor, the office shall require that, until the advanced nuclear reactor is commissioned, the net proceeds from the grant recipient's sales of electricity from a natural gas electric generation facility shall be dedicated to funding the pre-commissioning costs of the advanced nuclear reactor portion of such project, including but not limited to, costs for siting, development, permitting, design, engineering, and construction.” The proposed bill limits reimbursements for utilities which have natural gas electricity. The newly created office will not have a way to measure net proceeds of a natural gas utility.

3. The Department of Natural Resources will need to work with the Department of Revenue if tax credits are used to fund the "Missouri advanced nuclear development fund".

4. The DNR is assuming there will not be conflicts of interest with the Director.

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 partial FTE, equipment, and expenses requested by the DNR for legal support. If multiple bills pass which require additional staffing and duties at substantial costs, the DNR could request funding through the appropriation process. Oversight will show the remaining 4 FTE, equipment, and expense requested by the DNR as a cost to the Missouri Advanced Nuclear Energy Fund.

Oversight notes that §640.802 creates the Missouri Advanced Nuclear Development fund, which shall consist of gifts, grants, tax credits, or donations solicited by the Missouri Advanced Nuclear Energy office, established under section 640.801 to provide grants to eligible nuclear energy plants in the state. Oversight further notes that the grant shall not exceed \$100,000,000 per eligible nuclear project.

Officials from the **Office of the Governor (GOV)** state that this bill adds to the Governor's current load of appointment duties. Individually, additional requirements should not fiscally impact the Office of the Governor. However, the cumulative impact of additional appointment duties across all enacted legislation may require additional resources for the Office of the Governor.

Oversight assumes the GOV is provided with core funding to handle a certain amount of activity each year. Oversight assumes the GOV could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, the GOV could request funding through the appropriation process. Officials from the GOV assume the proposal will have no fiscal impact on their organization.

Officials from the **Department of Commerce and Insurance, Department of Revenue, Department of Public Safety - State Emergency Management Agency, Missouri Ethics Commission, Office of Administration, Office of the Lieutenant Governor, Office of the State Treasurer, Missouri House of Representatives, and Missouri Senate** 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.

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
MISSOURI ADVANCED NUCLEAR DEVELOPMENT FUND			
<u>Cost – DNR (§640.801) Creation of new database and ongoing maintenance p.3</u>	(\$141,667)	(\$141,667)	(\$141,667)
<u>Cost – DNR (§640.801) p.4</u>			
Personal Service	(\$222,232)	(\$272,012)	(\$277,452)
Fringe Benefits	(\$111,523)	(\$163,806)	(\$167,082)
Equipment and Expense	(\$97,664)	(\$41,248)	(\$42,073)
Total Cost – DNR	(\$431,419)	(\$477,066)	(\$486,607)
FTE Change – DNR	4 FTE	4 FTE	4 FTE
<u>Cost – Appropriation to the Missouri Advanced Nuclear Development Fund for grants p.4</u>	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
ESTIMATED NET EFFECT TO THE MISSOURI ADVANCED NUCLEAR DEVELOPMENT FUND	\$0 or (Could substantially exceed \$573,086)	\$0 or (Could substantially exceed \$618,733)	\$0 or (Could substantially exceed \$628,274)
Estimated Net FTE Change to the Missouri Advanced Nuclear Development Fund	4 FTE	4 FTE	4 FTE

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
	\$0	\$0	\$0

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

The act establishes the "Missouri Nuclear Energy Advancement Act".

The act provides that there shall be no prohibition on the construction or operation of nuclear electric generation facilities in the state, provided that all licensing requirements of the facilities have been satisfied and the state's emergency preparedness for nuclear electric generation is considered to be in good standing by the Missouri State Emergency Management Agency.

Under the act, the Governor shall establish the Missouri Advanced Nuclear Energy Office ("Office") within the Department of Natural Resources. The Governor shall appoint the director of the Office. The director shall not have any interests that substantially conflict with the director's duties as the head of the Office. The duties of the office are described in the act. The duties of the Director are described in the act.

The Office shall administer the Missouri Advanced Nuclear Development Fund, established by the act. The Fund shall provide grants to eligible nuclear energy projects in the state, as described in the act. Specifics of the grants are described in the act. A grant shall not exceed \$100,000,000. For projects involving the commission of an advanced nuclear reactor, the Office shall require that until the reactor is commissioned, the net proceeds of the grant recipient's sales of electricity from a natural gas electric generation facility shall be dedicated to funding the pre-commissioning costs of the reactor.

All information in grant applications shall be kept confidential and shall not be released to the public or in response to any record request.

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
Department of Public Safety-State Emergency Management Agency
Office of the Governor
Missouri Ethics Commission
Office of Administration
Office of the State Treasurer

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Office of the Lieutenant Governor
Missouri House of Representatives
Missouri Senate



Julie Morff
Director
March 3, 2026



Jessica Harris
Assistant Director
March 3, 2026