

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1617-01  
Bill No.: HB 660  
Subject: Energy: Environmental Protection; Utilities  
Type: Original  
Date: March 2, 2009

Bill Summary: Establishes the Missouri Alternative Energy Loan Authority to provide low-interest loans to public and private entities for financing renewable energy products and services

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
General Revenue	(\$12,000,000)	\$0	\$0
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(\$12,000,000)</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Missouri Alternative Energy Loan Authority Fund	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)
<b>Total Estimated Net Effect on Other State Funds</b>	<b>Unknown to (Unknown)</b>	<b>Unknown to (Unknown)</b>	<b>Unknown to (Unknown)</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 7 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</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 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>
Missouri Alternative Energy Loan Authority Fund	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 Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>
<b>Local Government</b>	<b>Unknown to (Unknown)</b>	<b>Unknown to (Unknown)</b>	<b>Unknown to (Unknown)</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Missouri Senate** that this proposal either has no fiscal impact as it relates to their agency or minimal costs which can be absorbed by present appropriations.

According to officials from the **Office of Secretary of State (SOS)**, many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the proposal. 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 \$2,500.

**Oversight** assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Office of State Treasurer** state that the proposal has no direct fiscal impact on their agency.

Officials from the **Department of Economic Development - Public Service Commission** and **Office of Public Counsel** state this proposal will have no fiscal impact on their respective divisions.

In response to a similar proposal from last session (HB 1862 - FN 4466-01), officials from the **Office of the Governor** stated this proposal will result in no added cost to the Governor's Office.

Officials from the **Department of Natural Resources (DNR)** assume the department's Energy Center would require resources to carry out the duties that would result from this proposal with regard to rule making, financial administration including loan application review, technical review and loan closing; general and specific inquires regarding loans available through the Authority and record retention.

DNR assumes they would request one (1) Energy Specialist II, one (1) Energy Engineer II and 0.5 Office Support Assistant to implement this proposal.

Based on information from another loan authority and also since it is unknown how many loans would be generated in a given year, **Oversight** assumes one staff position will be sufficient to

ASSUMPTION (continued)

assist in administering this program. **Oversight** has, for fiscal note purposes only, changed the starting salary for an Energy Specialist II to correspond to the second step above minimum for comparable positions in the state’s merit system pay grid. This decision reflects a study of actual starting salaries for new state employees for a six month period and the policy of the Oversight Subcommittee of the Joint Committee on Legislative Research.

Based on “reasonable and necessary expenses” for board members from other boards within the Department of Insurance, Financial Institutions and Professional Registration, **Oversight** has estimated the cost per meeting per member at \$272.50. Estimating a total of six meetings per year, the annual cost for the seven members would be \$11,445 in FY 09, \$11,788 in FY 10, and \$12,142 in FY 2012.

**Oversight** assumes that it is not known if all of the initial appropriation of \$15,000,000 to the Missouri Alternative Energy Loan Authority Fund will be distributed the first year to eligible entities or if there will be carryover to future years. **Oversight** further assumes that income in the form of loan repayments, fees, and charges may begin to be credited to the fund beginning in FY 2010.

<u>FISCAL IMPACT - State Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
<b>GENERAL REVENUE</b>			
Cost - Appropriation to Missouri Alternative Energy Loan Authority Fund	(\$12,000,000)	\$0	\$0
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b><u>(\$12,000,000)</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

<u>FISCAL IMPACT - State Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
<b>MISSOURI ALTERNATIVE ENERGY LOAN AUTHORITY FUND</b>			
<u>Income</u> - General Revenue - Appropriation	\$12,000,000	\$0	\$0
<u>Income</u> - Loan repayments, fees and charges	Unknown	Unknown	Unknown
<u>Cost</u> - Loans to qualifying entities	(Unknown)	(Unknown)	(Unknown)
<u>Cost</u> - Expenses of Missouri Alternative Energy Loan Authority members	(\$11,445)	(\$11,788)	(\$21,142)
<u>Cost</u> - Department of Natural Resources			
Personal Services (1 FTE)	(\$29,211)	(\$36,105)	(\$37,188)
Fringe Benefits	(\$14,205)	(\$17,558)	(\$18,085)
Equipment and Expenses	<u>(\$7,576)</u>	<u>(\$2,142)</u>	<u>(\$2,207)</u>
Total	<u>(\$50,992)</u>	<u>(\$55,805)</u>	<u>(\$57,480)</u>
<b>ESTIMATED NET EFFECT ON MISSOURI ALTERNATIVE ENERGY LOAN AUTHORITY FUND</b>			
	<u>Unknown to (Unknown)</u>	<u>Unknown to (Unknown)</u>	<u>Unknown to (Unknown)</u>
Estimated Net Effect on FTE for the Missouri Alternative Energy Loan Authority	1 FTE	1 FTE	1 FTE

<u>FISCAL IMPACT - Local Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
<b>LOCAL POLITICAL SUBDIVISIONS</b>			
<u>Income</u> - Loans from Missouri Alternative Energy Loan Authority	Unknown	Unknown	Unknown
<u>Savings</u> - Reduced utility costs	Unknown	Unknown	Unknown
<u>Cost</u> - Renewable energy projects and energy efficiency and related expenses	(Unknown)	(Unknown)	(Unknown)
<u>Cost</u> - Loan repayments, fees and charges	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS</b>	<b><u>Unknown to (Unknown)</u></b>	<b><u>Unknown to (Unknown)</u></b>	<b><u>Unknown to (Unknown)</u></b>

FISCAL IMPACT - Small Business

The bill would stimulate the availability, sale and installation of energy efficiency and renewable energy products throughout the state.

FISCAL DESCRIPTION

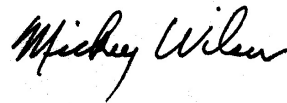
This proposed legislation establishes the Missouri Alternative Energy Loan Authority, within the Department of Natural Resources, to provide low-interest loans to public and private entities for the purpose of financing various energy-saving projects and services. The authority will consist of seven members appointed by the Governor with the advice and consent of the Senate. The authority must file an annual financial statement with the department director.

An initial appropriation of \$12 million to the newly created Missouri Alternative Energy Loan Authority Fund will be made; and the fund may receive annual appropriations from the General Assembly as well as from any gifts, contributions, grants, or bequests.

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 Economic Development  
Public Service Commission  
Office of Public Counsel  
Department of Natural Resources  
Office of the Governor  
Missouri Senate  
Office of State Treasurer  
Office of Secretary of State  
Administrative Rules Division



Mickey Wilson, CPA  
Director  
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