

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5470-01  
Bill No.: HB 2408  
Subject: Public Service Commission; Utilities; Attorneys; State Treasurer  
Type: Original  
Date: April 6, 2010

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Bill Summary: This proposal creates an assessment-based funding mechanism for the Office of Public Counsel.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
General Revenue	\$1,225,672	\$1,225,672	\$1,225,672
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$1,225,672</b>	<b>\$1,225,672</b>	<b>\$1,225,672</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
The Public Counsel	\$0	\$0	\$0
<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.  
This fiscal note contains 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</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 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>
General Revenue	(12) FTE	(12) FTE	(12) FTE
The Public Counsel	12 FTE	12 FTE	12 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</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 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Office of the State Treasurer** assume the proposal would not have a fiscal impact on their agency.

Officials from the **Department of Economic Development (DED)** state there is no overall impact because of the savings to General Revenue and the impact to the new fund. The budgeted amount for the Office of Public Counsel (OPC) for FY 2010 is \$880,809 (\$657,634 personal service and \$223,175 in expense and equipment) for 12.0 FTE. DED stated fringe benefits should also be added on to these appropriated amounts to arrive at a complete cost for OPC.

This proposal has an emergency clause, so **Oversight** assumes an assessment could be rendered on July 1, 2010 and payments could be made into the new fund in FY 2011. Oversight utilized a fringe benefit factor of 52.44% of personal service expense.

**This proposal will increase Total State Revenues.**

<u>FISCAL IMPACT - State Government</u>	FY 2011	FY 2012	FY 2013
<b>GENERAL REVENUE FUND</b>			
<u>Savings</u> - Office of Public Counsel			
Personal Service (12 FTE)	\$657,634	\$657,634	\$657,634
Fringe Benefits	\$344,863	\$344,863	\$344,863
Expense and Equipment	<u>\$223,175</u>	<u>\$223,175</u>	<u>\$223,175</u>
<u>Total Savings - OPC</u>	<u>\$1,225,672</u>	<u>\$1,225,672</u>	<u>\$1,225,672</u>
<b>ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND</b>	<b><u>\$1,225,672</u></b>	<b><u>\$1,225,672</u></b>	<b><u>\$1,225,672</u></b>

FISCAL IMPACT - State Government                      FY 2011                      FY 2012                      FY 2013  
 (continued)

**THE PUBLIC COUNSEL FUND**

<u>Income</u> - Increased assessments on regulated utilities	\$1,225,672	\$1,225,672	\$1,225,672
<u>Costs</u> - Office of Public Counsel			
Personal Service (12 FTE)	(\$657,634)	(\$657,634)	(\$657,634)
Fringe Benefits	(\$344,863)	(\$344,863)	(\$344,863)
Expense and Equipment	<u>(\$223,175)</u>	<u>(\$223,175)</u>	<u>(\$223,175)</u>
<u>Total Costs</u> - OPC	<u>(\$1,225,672)</u>	<u>(\$1,225,672)</u>	<u>(\$1,225,672)</u>

**ESTIMATED NET EFFECT TO THE PUBLIC COUNSEL FUND**                      \$0                      \$0                      \$0

FISCAL IMPACT - Local Government                      FY 2011                      FY 2012                      FY 2013  
 (10 Mo.)

\$0                      \$0                      \$0

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This proposal creates an assessment-based funding mechanism for the Office of the Public Counsel within the Department of Economic Development similar to that currently utilized by the Missouri Public Service Commission. Prior to the beginning of each fiscal year, the counsel will present to the commission its estimated expenses attributable to the regulation of public utilities under Section 386.020, RSMo.

FISCAL DESCRIPTION (continued)

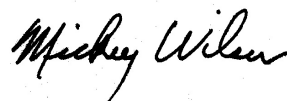
The total amount of the counsel's assessment cannot exceed two hundredths of 1% of the total gross intrastate operating revenues of all regulated utilities. In order to allow these calculations, every regulated utility must file a statement of its gross intrastate operating revenues on or before March 31 with the commission.

The assessments rendered by the counsel will be made available to the utilities on or before July 1 with the payment due either on or before July 15 or in four equal installments throughout the fiscal year. The moneys from the assessments will be deposited into the newly created Public Counsel Fund. Moneys remaining in the fund will not revert to the General Revenue Fund.

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  
Office of the State Treasurer



Mickey Wilson, CPA  
Director  
April 6, 2010