COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4216-01
Bill No.: SB 1012 with SCA 1
Subject: Public Buildings; Contracts and Contractors; Energy
Type: Original
Date: March 5, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
None			
Total Estimated Net Effect on All State Funds	**$0**	**$0**	**$0**

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
None			
Total Estimated Net Effect on All Federal Funds	**$0**	**$0**	**$0**

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	**$0**	**$0**	**$0**

Numbers within parentheses: ( ) indicate costs or losses.
This fiscal note contains 5 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Missouri Lottery Commission**, **Harris-Stowe State College**, **Lincoln University**, **Missouri Southern State College**, **Northwest Missouri State University**, **Southwest Missouri State University**, and **Southeast Missouri State University** did not respond to our fiscal impact request.

Officials from the **Office of the Governor**, **Office of the Lieutenant Governor**, **Missouri House of Representatives**, **Missouri Senate**, **State Auditor's Office**, **Secretary of State's Office**, **State Treasurer's Office**, **Office of the Attorney General**, **Office of Prosecution Services**, **Office of the State Courts Administrator**, **Missouri Tax Commission**, **Missouri Ethics Commission, Missouri Gaming Commission**, **Office of Administration - Divisions of Design and Construction and Facilities Management**, **Departments of Corrections**, **Higher Education**, **Insurance**, **Labor and Industrial Relations**, **Conservation**, **Economic Development**, **Elementary and Secondary Education**, **Revenue**, **Public Safety**, **Transportation**, **Social Services**, **Missouri Consolidated Health Care Plan**, **Public School and Non-Teacher School Employee Retirement Systems**, **Linn State Technical College**, **Truman State University**, **Missouri Western State College**, **University of Missouri**, and the **Central Missouri State University** assume the proposed legislation would have no fiscal impact on their agencies.

Officials from the **Department of Agriculture** defer to the Office of Administration's determination of fiscal impact.

Officials from the **Department of Mental Health (DMH)** note although there may be non-quantifiable benefits to the Department, such as reduction of maintenance services, this proposal would result in essentially zero impact. DMH assumes term payments would have to be appropriated through capital or operating budgets and documental cost savings would be reduced from core; therefore, no significant fiscal impact is expected.

Officials from the **Department of Health and Senior Services (DOH)** assume the proposal would not affect their agency because they do not own any buildings. DOH notes the lengths of leases typically run seven to 10 years and are handled by Office of Administration - Division of Facilities Management.

Officials from the **Department of Natural Resources (DNR)** note by extending the maximum duration of energy saving performance contracts that governmental units are allowed to enter into, the potential for savings is increased. DNR states the current limit of 10 years precludes the use of performance contracts as a source of financing for projects where the cost of the project cannot be

ASSUMPTION (continued)

recovered by savings within 10 years. DNR assumes by increasing the limit to 20 years results in a wider range of projects that can be pursued, resulting in additional savings in the operation of governmental facilities. DNR states they are unable to provide an informed estimate of the frequency this contracting tool will be used, and as a result, the department cannot provide a specific estimate of the savings that would result if the proposal is passed. DNR states the proposal would not have a direct fiscal impact on their agency.

FISCAL IMPACT - State Government	FY 2003 (10 Mo.)	FY 2004	FY 2005
	$0	**$0**	**$0**

FISCAL IMPACT - Local Government	FY 2003 (10 Mo.)	FY 2004	FY 2005
	$0	**$0**	**$0**

FISCAL IMPACT - Small Business

Small businesses could find expanded opportunities to provide services to governmental units that result in energy savings.

DESCRIPTION

This proposal extends the period of payments from ten to twelve years on guaranteed energy cost savings contracts.

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

Office of the Governor
Office of the Lieutenant Governor
Missouri House of Representatives
Missouri Senate
State Auditor's Office
Secretary of State's Office
State Treasurer's Office
Office of the Attorney General
Office of Prosecution Services
Office of the State Courts Administrator
Missouri Tax Commission
Missouri Ethics Commission
Missouri Gaming Commission
Office of Administration
  Design and Construction
  Facilities Management
Department of Corrections
Department of Higher Education
Department of Insurance
Department of Labor and Industrial Relations
Department of Conservation
Department of Economic Development
Department of Elementary and Secondary Education
Department of Revenue
Department of Public Safety
Department of Transportation
Department of Social Services
Department of Natural Resources
Department of Agriculture
Department of Mental Health
Department of Health and Senior Services
Missouri Consolidated Health Care Plan
Linn State Technical College
Truman State University
University of Missouri
Central Missouri State University
Missouri Western State College
Public School and Non-Teacher School Employee Retirement Systems

KLR:LR:OD (12/01)

NOT RESPONDING

Missouri Lottery Commission
Harris-Stowe State College
Lincoln University
Missouri Southern State College
Northwest Missouri State University
Southwest Missouri State University
Southeast Missouri State University

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Acting Director

March 5, 2002