

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

LR No.: 1494-02  
Bill No.: SB 612  
Subject: City of Springfield: Utilities,  
Type: Original  
Date: March 17, 2003

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>
<b>Total Estimated Net Effect on Other State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 3 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
<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 LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
<b>Local Government</b>	<b>(\$1,875,000)</b>	<b>(\$2,250,000)</b>	<b>(\$2,250,000)</b>

### FISCAL ANALYSIS

#### ASSUMPTION

In response to almost identical legislation the Officials of the **Department of Economic Development- Public Service Commission** assume no fiscal impact.

Officials of the **City of Springfield** stated that the City would lose revenue in the following amounts. Water \$400,000; Gas \$1,300,000; electricity \$900,000. **The total loss of revenue would be \$2,600,000 annually. Officials stated they would realize an annual loss in payments in lieu of taxes in the amount of \$90,000.**

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
	<u><b>\$0</b></u>	<u><b>\$0</b></u>	<u><b>\$0</b></u>

<u>FISCAL IMPACT - Local Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
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**CITY OF SPRINGFIELD UTILITIES**

<b><u>Loss</u></b> to City of Springfield from Utility pricing requirements	<u>(\$2,166,667)</u>	<u>(\$2,600,000)</u>	<u>(\$2,600,000)</u>
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<b><u>Loss</u></b> to City of Springfield Payments in lieu of taxes (PILOTS)	<u>(\$90,000)</u>	<u>(\$90,000)</u>	<u>(\$90,000)</u>
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<b>ESTIMATED NET EFFECT TO LOCAL GOVERNMENT</b>	<b><u>(\$2,256,667)</u></b>	<b><u>(\$2,690,000)</u></b>	<b><u>(\$2,690,000)</u></b>
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FISCAL IMPACT - Small Business

Small businesses located outside the city limits of the City of Springfield, who purchases their utilities from the City could expect a reduction in utility costs..

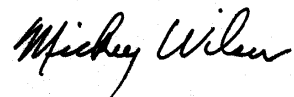
DESCRIPTION

This act requires Springfield to sell its utility services on a nondiscriminatory basis and at the same price to nonresidents as it would sell the same services to residents of Springfield.

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  
City of Springfield



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Director  
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