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FILED³
February 14, 2000

FEB 14 2000

Missouri Public
Service Commission

Mr. Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102

RE: Case No. MX-2000-439

Dear Mr. Roberts:

Enclosed for filing in the above-captioned case are an original and fourteen (14) conformed copies of a **MOTION FOR FINDING OF NECESSITY FOR RULEMAKING**.

This filing has been mailed or hand-delivered this date to all counsel of record.

Thank you for your attention to this matter.

Sincerely yours,

David J. Stueven
Assistant General Counsel
(573) 751-6726
(573) 751-9285 (Fax)

DS/dkf
Enclosure
cc: Counsel of Record

GORDON L. PERSINGER
Acting Executive Director
Director, Research and Public Affairs

WESS A. HENDERSON
Director, Utility Operations

ROBERT SCHALLENBERG
Director, Utility Services

DONNA M. KOLILIS
Director, Administration

DALE HARDY ROBERTS
Secretary/Chief Regulatory Law Judge

DANA K. JOYCE
General Counsel

FILED³

FEB 10 2000

Missouri Public
Service Commission

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED³

FEB 14 2000

Missouri Public
Service Commission

In the Matter of a Proposed New Rule 4)
CSR 240-123.075 - Inspection Fee)

Case No. MX-2000-439

MOTION FOR FINDING OF NECESSITY FOR RULEMAKING

COMES NOW the Director of the Department of Manufactured Homes and Modular Units of the Missouri Public Service Commission ("Director" and "Department"), by and through the Missouri Public Service Commission's Office of General Counsel, and for his Motion For Finding of Necessity For Rulemaking ("Motion") states as follows:

1. Attached as attachment A is the Director's Recommendation to the Commission on the proposed rulemaking. Included in the Recommendation is an analysis of the fiscal impact and effectiveness of the rule, both to the state as well as any private or public person or entity affected by this rulemaking.

2. This Director proposes this new rule to implement an inspection fee in accordance with Section 700.040 RSM (Cum. Supp. 1999). Section 700.040 RSMo authorizes the Commission to implement an inspection fee, along with other fees, to fund the administration of the program as set out in Sections 700.010 through 700.115 (RSMo). The rule is structured in such a way to adjust the fee to only cover the costs of administering the program.

3. This rulemaking is necessary to ensure that the program is funded at a level that ensures proper administration of the Commission's statutory charge to regulate manufactured homes and modular units.

WHEREFORE, the Director respectfully requests that the Commission, based upon reasonably available empirical data including an assessment of the effectiveness and costs both to the state and to any private or public person or entity affected, find that the proposed rulemaking, 4 C.S.R 240-123.075 Inspection Fee, is necessary to carry out the purposes of Section 700.040 RSMo (Cum. Supp. 1999).

Respectfully submitted,

DANA K. JOYCE
General Counsel

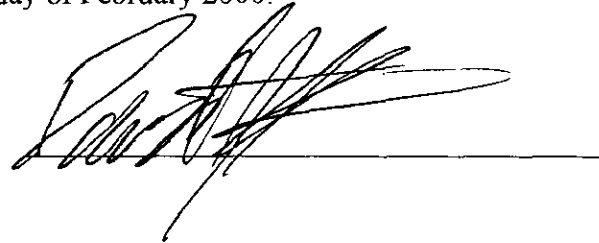


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Certificate of Service

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all counsel of record as shown on the below service list this 14th day of February 2000.



Office of Public Counsel
P.O. Box 7800
Jefferson City, MO 65102

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
Case No. MX-2000-439 Proposed New Rule 4 CSR 240-123.075 Inspection Fee

FROM: Steve Jungmeyer, ^{SD} Department of Manufactured Housing and Modular Units

Wes Hindman 2-10-00
Utility Operations Division / Date

[Signature] 2-10-00
General Counsel's Office / Date

SUBJECT: Staff Recommendation

DATE:

4 CRS 240-123.075 - Inspection Fee is proposed in order to implement and impose a charge per home sold to dealers in the State of Missouri. This inspection fee charge is necessary to help fund the Manufactured Housing Program and is authorized pursuant to Section 700.040 RSMo.

With the loss of revenue generated by recreational vehicle regulation, the Manufactured Housing Department is faced with restructuring its fee structure in order to meet its annualized budget appropriations. In addition to utilizing this inspection fee, current legislation (SB 849, HB 1902) is addressing the issue of increasing current registration fees for dealers and manufacturers. Revenues will increase approximately \$184,700 if these fees are amended. Additional increases are being proposed in rule making which deals with the issuance of modular unit seals and plan approvals. If all proposed phases of the fee increases are approved, the inspection fee per home sold will be minimal for fiscal year 2001; approximately \$4.00 to \$6.00 per home sold. If the Manufactured Housing Industry continues to grow and the Department experiences increases in registration and other set fee revenues, then reliance on the inspection fee may diminish. This fee will always remain an option to use to balance revenue requirements for the Department without having to propose legislation or rule making in the future. The rule is perceived to be similar to utility assessments currently imposed to fund other Public Service Commission operations.

If the current legislation (SB 849, HB 1902) pertaining to increased registration fees and other proposed fee increases through rule making fails, the inspection fee charge necessary to meet the fiscal year 2001 appropriated budget of \$523,353 would be approximately \$23.00 per home sold. This calculation is subject to minor change in relation to the Department's revenue status and the total number of homes sold at that time.

4 CRS 240-123.075 also provides for the manner in which inspection fees are calculated by the Commission and submitted by registered dealers. The Inspection Fee will be subject to change on an annual basis, and will be directly related to annual budget appropriations and revenue requirements.

Staff recommends that the Commission find that a rulemaking to propose 4 CSR 240-123.075 is necessary.

Copies: Director – Utility Operations Division
 Director – Utility Services Division
 Director – Research and Public Affairs Division
 General Counsel
 Office of Public Counsel