

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

LR No.: 1592-01  
Bill No.: HB 620  
Subject: Environmental Protection: Flood Plains  
Type: Original  
Date: April 1, 2003

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
General Revenue	(\$1,619,767 to Unknown)	(\$1,483,464 to Unknown)	(\$1,479,421 to Unknown)
<b>Total Estimated Net Effect on General Revenue Fund *</b>	<b>(\$1,619,767 to Unknown)</b>	<b>(\$1,483,464 to Unknown)</b>	<b>(\$1,479,421 to Unknown)</b>

\* Unknown cost are not expected to exceed \$100,000 annually.

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
<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 8 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</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 LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**FISCAL ANALYSIS**

**ASSUMPTION**

Officials of the **Office of Attorney General** stated that any costs arising from this proposal could be absorbed with existing resources.

Officials of the **Department of Economic Development (DED)**, stated that this proposal states in 49.623 RSMo., that a community containing a special flood hazard district within its boundaries must be a member of the National Flood Insurance Program to qualify for block grant funds from the DED. Officials stated this is already a HUD requirement and would have no impact on DED.

Officials of the **Department of Corrections (DOC)** stated that they cannot predict the number of new commitments which may result from the creation of the offense outlined in this proposal. An increase in commitments depends on the utilization by Prosecutors and the actual sentences imposed by the Courts.

DOC officials assume if additional persons are sentenced to the custody of the DOC due to the provisions of this proposal, the DOC would incur a corresponding increase in operational cost either through incarceration (FY 02 average of \$35.52 per inmate, per day or annual cost of

\$12,965 per inmate) or through supervision provided by the Board of Probation and Parole (FY

ASSUMPTION (continued)

02 average of \$3.10 per offender, per day or an annual cost of \$1,132 per offender).

In Summary DOC officials stated that supervision by the DOC through probation or incarceration would result in additional unknown costs. Eight persons would have to be incarcerated per fiscal year to exceed \$100,000 annually. Due to the narrow scope of this new crime, officials assume the impact would be less than \$100,000 per year.

Officials of the **Department of Public Safety- State Emergency Management Agency** stated they currently have no regulatory authority, and do not permit.

Officials stated they currently have 6 employees to handle flood plain management for the whole State of Missouri. Officials stated that in one month Camden County had 300 permits. Officials estimate in order to adequately administer the permitting process to local jurisdictions, ensure compliance in the local jurisdictions, and provide technical assistance and data to local jurisdictions additional staff and rental space would be required. Officials stated staff would be located at 9 locations throughout the state. Officials estimate they would need the following FTE:

- (1) Public Safety Manager- Band II- Supervision of the program and staff.
- (1) Design Engineer II - Supervision of program and staff.
- (9) Design Engineer I - Verifies data and information submitted by local jurisdictions, provides data to local jurisdictions.
- (9) Flood plain Management Officers - Working with communities regarding ordinance, reviewing, and issuing permits, reviewing and approving variances, work with local officials regarding their flood plain programs, liason between the local jurisdictions and FEMA.
- (10) Office Support Assistant- Clerical duties.

Officials estimate that for 10 months of FY 2004 for Personnel Service of 30 FTE salaries would total \$773,609; and in FY 2005 \$951,538; and FY 2006 \$975,327. Fringe Benefits for FY 2004 is \$313,080; FY 2005 \$385,087; and in FY 2006 \$394,715. Equipment costs are estimated at \$395,490 in FY 2004 and \$0 in FY 2005 and FY 2006. Expenses are estimated at \$103,100 in FY 2004; \$106,193 in FY 2005; and \$109,379 in FY 2006. These amounts include rental space in 9 state locations.

Officials of the **Department of Natural Resources (DNR)** stated that they would have to review every building permit applications. The DNR would give advice as to the potential effects on

hydrology. Officials assume that there would be approximately 50 applications submitted annually that would require cursory review and less than 10 would require detailed review.

ASSUMPTION (continued)

DNR officials stated that they do not have existing funds or staff to perform the job requirements of this proposal. Officials assume DNR would need (.50 FTE) a Hydrologist II to review applications for permits and other duties required by this proposal. Officials assume if hydrologic design work or studies are required in addition to those associated with the department's state parks and historic sites, additional FTE would be required.

Officials estimate personnel cost for (.50 FTE Hydrologist II) 10 months of FY 2004 at \$16,349; and \$20,109 in FY 2005; and \$20,612 in FY 2006. Fringe benefits in FY 2004 would total \$6,616; and \$8,138 in FY 2005; and \$8,342 in FY 2006. Cost for equipment in FY 2004 is estimated at \$8,937; and \$9,205 in FY 2005; and \$9,481 in FY 2006. Expenses are estimated at \$2,586 in FY 2004; \$3,194 in FY 2005; and \$3,291 in FY 2006.

Officials of the **Department of Agriculture** assume they would only review applications for permits and would have no fiscal impact.

Officials of **Jefferson County, and Platte County** assume no fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
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**GENERAL REVENUE FUND**

<u>Cost to Department of Corrections</u> incarceration costs *	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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Cost to Department of Public Safety-  
State Emergency Management Agency  
 Flood Plain Management new duties

Personnel Service (30 FTE)	(\$773,609)	(\$951,538)	(\$975,327)
Fringe Benefits	(\$313,080)	(\$385,087)	(\$394,715)
Equipment	(\$395,490)	\$0	\$0
Expense	<u>(\$103,100)</u>	<u>(\$106,193)</u>	<u>(\$109,379)</u>

<b>Total Cost to Department of Public Safety-SEMA</b>	<b><u>(\$1,585,279)</u></b>	<b><u>(\$1,442,818)</u></b>	<b><u>(\$1,479,421)</u></b>
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FISCAL IMPACT- State Government

Cost to Department of Natural Resources

Personnel Services (.50 FTE)	(\$16,349)	(\$20,109)	(\$20,612)
Fringe Benefits	(\$6,616)	(\$8,138)	(\$8,342)
Equipment	(\$8,937)	(\$9,205)	(\$9,481)
Expense	<u>(\$2,586)</u>	<u>(\$3,194)</u>	<u>(\$3,291)</u>
<b>Total Cost to Department of Natural Resources</b>	<b><u>(\$34,488)</u></b>	<b><u>(\$40,646)</u></b>	<b><u>(\$41,726)</u></b>

<b>ESTIMATED NET EFFECT TO GENERAL REVENUE FUND</b>	<b><u>(\$1,619,767 to Unknown)*</u></b>	<b><u>(\$1,483,464 to Unknown)*</u></b>	<b><u>(\$1,479,421 to Unknown)*</u></b>
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\* Unknown costs are estimated to not exceed \$100,000 annually.

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

FISCAL IMPACT - Small Business

Small business located in the 100 year flood plains would have to comply with state and local laws.

DESCRIPTION

Except for construction on land used for agricultural purposes in third classification counties, this bill requires anyone seeking to construct an enclosed building, levee, or other earthen berm within a 100-year flood plain to obtain a permit. In cities and counties with planning and zoning, the permit must be obtained from the local government. In cities and counties without planning and zoning, the permit must be obtained from the State Emergency Management Agency (SEMA). The departments of Agriculture and Natural Resources are allowed 15 days to

comment on any permit application.

The bill also requires that all new commercial, residential, or industrial structures in federally delineated floodways and all variances from the requirements of local ordinances be approved by SEMA. Structures intended to be flooded or associated with bridges, roads, and water-related recreation and commercial activities are exempt. Permits will only be issued if the structure

#### DESCRIPTION (continued)

meets all applicable state and federal requirements and if the construction will not raise the elevation of the 100-year flood level by more than 1/10 of a foot. Permits must also require that the lowest floor of insurable structures be elevated at least one foot above the 100-year flood level.

The General Assembly may appropriate funds for projects in areas that comply with the requirements of the National Flood Insurance Program to repair public levees and to increase the protective height of levees if approved by SEMA. Agricultural land cannot be used in cost/benefit analyses for development of levees to protect commercial and residential properties. To qualify for federal hazard mitigation grants and state block grants, communities containing flood hazard areas must be members of the National Flood Insurance Program. The bill also makes misrepresentation of a fact in applications for flood buy-out funds a class C felony.

Further, the bill repeals provisions that make compliance with a permit from a political subdivision adequate proof of reasonable use in contested cases involving surface water in flood-prone areas if the political subdivision has acted in accordance with the National Flood Insurance Program.

This legislation is not federally mandated, would not duplicate any other program and would require additional capital improvements or rental space.

#### SOURCES OF INFORMATION

Office of Attorney General  
Department of Economic Development  
Department of Corrections  
Department of Public Safety- State Emergency Management Agency  
Department of Agriculture  
Department of Natural Resources  
Jefferson County Commission

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Platte County Commission

NOT RESPONDING:

Office of Prosecution Services  
Callaway County  
Boone County  
Warren County  
Franklin County  
St. Louis County  
Marion County  
Cape Girardeau County  
Kansas City Manager's Office  
City of St. Louis

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A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA  
Director  
April 1, 2003