

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2513-04  
Bill No.: Truly Agreed to and Finally Passed SS #2 for HCS for HB 980  
Subject: Administrative Rules; Environmental Protection; Natural Resources Dept.  
Type: Original  
Date: May 26, 2004

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
General Revenue	\$0	\$0 to (\$25,000)	\$0 to (\$25,000)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0 to (\$25,000)</b>	<b>\$0 to (\$25,000)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
DNR Dedicated Funds	\$0	\$0 to (Unknown)	\$0 to (Unknown)
<b>Total Estimated Net Effect on Other State Funds</b>	<b>\$0</b>	<b>\$0 to (Unknown)</b>	<b>\$0 to (Unknown)</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 6 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</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 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**FISCAL ANALYSIS**

**ASSUMPTION**

Officials from the **Office of the Secretary of State** assume this bill requires a regulatory impact report for certain rulemaking processes when the Department of Natural Resources files rulemakings with the Administrative Rules Division. Since the Administrative Rules Division's costs are in publication of the Missouri Register and the report has no requirement to be published, it should not impact this agency.

Officials from the **Department of Conservation** and **Department of Transportation** assume this proposal would have no fiscal impact on their organization.

In response to Perfected HCS for HB 980 (2513-02), officials from the **Department of Natural Resources** assumed the proposed legislation states that a regulatory impact report must be done for all rules promulgated that prescribe environmental conditions and standards.

Previous attempts to identify costs per rule for preparing the proposed regulatory impact report on state-initiated rules were estimated at \$42,440 per rule. In an ongoing process to improve our rulemaking process, the department has worked with representatives of the regulated community and our boards and commissions to make the rulemaking process more easily accessible and understandable to the public and those in the regulated community. On January 29, 2004 the

ASSUMPTION (continued)

department committed to a regulatory impact process and report. The Department's Regulatory Impact Report and process applies to all rulemakings and is currently in effect.

Section 640.014.4 would require ". . . the department, board, or commission to publish in at least one newspaper of general circulation, qualified pursuant to chapter 493, RSMo, with an average circulation of twenty thousand or more . . ." It is unknown what the cost for complying with this provision of the proposal would be. It is also unknown how many new rules will be promulgated in any given year. Therefore the fiscal impact to the department would be unknown.

**Oversight** assumes that the cost of compliance with this proposal is unknown. Some administrative rules would not require the cost-benefit analysis contemplated in this proposal. Further, Oversight assumes it is not possible to predict the number of rules which would be adopted or the number of rules adopted which would require the scientific review proposed in this legislation, let alone the number which might be challenged. Oversight assumes that any costs resulting from this proposal would be paid from the state General Revenue Fund since program funds would not be available for such costs.

Hancock Refunds

The proposed legislation prohibits future refunds mandated under article X from certain funds if the United States Environmental Protection Agency determines that the use of any such monies for paying the refund would violate the federal Clean Water Act or any related federal regulation.

The proposed legislation also states that the state General Revenue Fund (GR) will be reimbursed from other DNR funds for any disproportionate impact on GR as a result of the EPA determination. Historically, GR has replenished the Water and Wastewater Loan Revolving Loan Fund, Water and Wastewater Loan Fund and the NRPF-Water Permit Fees SRF Administration subaccount for the Article X transfer. The amount replenished was: FY00 \$743,592; FY01 \$301,891; and FY03 \$7,991.

The department assumes the fiscal impact resulting from this legislation would be an impact to our dedicated fees in an amount equal to the replenishment thereby resulting in a savings to GR.

**The Oversight Subcommittee met on February 23, 2004, and voted to reflect a revenue cost from this proposal in a range from zero to \$25,000 annually in Perfected HCS for HB 980.**



DESCRIPTION (continued)

adopted within certain limitations without a regulatory impact report if immediate action is necessary to protect human health, public welfare, or the environment. Rules may also be adopted that are equivalent to federal rules.

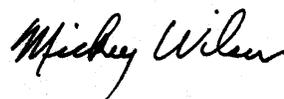
The department may not include in a permit any requirement not codified by regulation or statute and is required to submit all permits to the applicants in ample time for their final review before public comment. If the department denies a permit, the basis for the denial is required to be clearly stated; and once a permit is issued, it may not be modified or revoked without the permission of the applicant for one year, unless the department determines that action is necessary to protect human health, public welfare, or the environment.

The bill prohibits the use of moneys in the Water and Wastewater Pollution Loan Fund, Water Pollution Permit Fee Subaccount of the Natural Resources Protection Fund, Water and Wastewater Loan Revolving Fund, or any state revolving fund established for purposes of the federal Clean Water Act or the federal Safe Drinking Water Act to pay any portion of a refund pursuant to Article X, Section 18, of the Missouri Constitution.

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 Natural Resources  
Department of Conservation  
Secretary of State  
Department of Transportation



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