COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1134-01
Bill No.: HB 376
Subject: Agriculture and Animals; Agriculture Dept.; Environmental Protection; Natural Resources Dept.
Type: Original
Date: February 21, 2005

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on General Revenue Fund	**$0**	**$0**	**$0**

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
NRPF - Water Permit Fees	$150	($9,000)	$0
Total Estimated Net Effect on Other State Funds	**$150**	**($9,000)**	**$0**

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on All Federal Funds	**$0**	**$0**	**$0**

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Local Government	**$0**	**$0**	**$0**

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Agriculture** assume this proposal authorizes Department of Natural Resources, Clean Water Commission to promulgate rules regulating the establishment, permitting, design, construction, operation and management of the facilities. As written proposal would not affect the Division of Animal Health, Department of Agriculture.

Officials from the **Department of Health and Senior Services** assume no fiscal impact to their agency.

Officials from the **Department of Natural Resources** assumes any county, township, or other form of local government to impose regulations or local controls on the establishment, permitting, design, construction, operation, and management of any class I or II concentrated animal feeding operation. Those regulations or local controls may be stricter than what is in the state statute only if such controls are based on reasonably available empirical peer reviewed scientific and economic data that clearly documents the need and cost effectiveness. Since this provision does not change the department's authority, no fiscal impact.

The proposed legislation increases the number of broilers animal units needed to be classified as a CAFO. The department assumes sixty operations would not need to renew their general permit when it expires in 2006. Therefore, a decrease in the NRPF-Water Permit Fees would be $9,000.

ASSUMPTION (continued)

It also decreases the number of nursery pigs animal units needed to be classified as CAFO. The department assumes that one operation would be required to obtain a general permit resulting in revenues to the NRPF-Water Permit Fees of $150.

The proposal also removes the construction permit public notification requirement for the class 1B and 1C concentrated animal feeding operation. In addition, only new facilities, new lagoons or increases in the housing capacity at existing facilities would need to give notice prior to applying for a construction permit. One of the many permit application criteria the department verifies is compliance with the public notification. In addition, the department assumes that the level of comments from the public would not change as a result of this provision. Therefore, the department will not be fiscally impacted from this proposal.

In addition, the proposed legislation changes the definition of a "flush system". This change does not affect any of the facilities currently regulated under this legislation. Therefore, the department will not be impacted by this provision.

The proposal changes the frequency of the owner or operator to inspect the structural integrity of any lagoon from at least every twelve hours for all lagoons to at least every twelve hours for only lagoons with a water level less than eighteen inches below the emergency spillway. Since this provision does not change the departments authority, the department will not be impacted.

The proposed legislation allows the department to designate an animal feeding operation as a concentrated animal feeding operation if it is determined to significantly pollute the waters of the state. Under the current Clean Water Commission's powers and duties, the department has the authority to require any facility that is determined to be significantly polluting the waters fo the state to obtain a permit. Therefore, this provision would not impact the department.

The proposal excludes agricultural storm water discharges and return flows from irrigated agriculture from the point and water containment source definition. The department currently does not view these type of activities as point source, therefore this change would not impact the department.

FISCAL IMPACT - State Government	FY 2006 (10 Mo.)	FY 2007	FY 2008
NRPF - WATER PERMIT FEES			
Revenue - NRPF - Water Permit Fees	$150	$0	$0
Total	$150	$0	$0
Cost - NRPF - Water Permit Fees	$0	($9,000)	$0
Total	$0	($9,000)	$0
NET ESTIMATED IMPACT NRPF - WATER PERMIT FEES	**$150**	**($9,000)**	**$0**

FISCAL IMPACT - Local Government	FY 2006 (10 Mo.)	FY 2007	FY 2008
	$0	**$0**	**$0**

FISCAL IMPACT - Small Business

Possibly on the feeding operations that are defined by this proposal.

DESCRIPTION

This bill changes the laws regarding concentrated animal feeding operations (CAFO) making Missouri's regulations consistent with federal regulations. The bill:

(1) Requires the Missouri Clean Water Commission to promulgate rules regulating the establishment, permitting, design, construction, operation, and management of CAFOs;

(2) Requires that regulatory or local controls imposed by any form of local government concerning the establishment, permitting, design, construction, operation, and management of an animal feeding operation must be consistent with the provisions of the bill;

(3) Allows the Department of Natural Resources to designate an animal feeding operation as a CAFO if it is determined to be a significant contributor of pollutants to the waters of the state and has an animal feeding capacity of Class II CAFO or greater; and

DESCRIPTION (continued)

(4) Clarifies that the terms "point source" and "water contaminant source" as defined for the purposes of the Missouri Clean Water Law are not to include agricultural storm water discharges and return flows from irrigated agriculture.

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 Agriculture
Department of Natural Resources
Department of Health

Mickey Wilson, CPA
Director
February 21, 2005