

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0385-10
Bill No.: SCS for HCS for HB 89
Subject: Natural Resources Dept.; Fees, Water Resources and Water Districts;
Environmental Protection
Type: Original
Date: May 2, 2011

Bill Summary: This proposal modifies various provisions pertaining to the regulation and protection of natural resources.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
General Revenue	(\$619,514 to Unknown)	(\$685,086 to Unknown)	(\$692,312 to Unknown)
Total Estimated Net Effect on General Revenue Fund	(\$619,514 to Unknown)	(\$685,086 to Unknown)	(\$692,312 to Unknown)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 23 pages.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Water Permit Fees	\$0	\$0	\$0
State Park Earnings Fund	\$111,196	\$82,868	\$79,400
Hazardous Waste Fund	\$450,000	\$1,330,000	\$2,030,000
Petroleum Storage Tank Insurance Fund	\$0	(\$212,235 to \$271,200)	(\$302,225 to \$361,100)
Total Estimated Net Effect on <u>Other</u> State Funds	\$561,196	\$1,141,668 to \$1,200,633	\$1,748,300 to \$1,807,175

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Federal Funds	(\$72,432)	(\$79,450)	(\$81,830)
Total Estimated Net Effect on <u>All</u> Federal Funds	(\$72,432)	(\$79,450)	(\$81,830)

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Federal Funds	1	1	1
Administrative Hearing Commission	8	8	8
Total Estimated Net Effect on FTE	9	9	9

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Local Government	Unknown	Unknown	Unknown

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Natural Resources** assume Section 644.054.1 of this proposal would extend the existing water permit fee rate structure for wastewater permits imposed under the water pollution statutes until December 31, 2015 (FY 2016). This extension does not affect the department's authority regarding these issues. Based on the number of active permits and the revenue trends seen over the previous two years, this proposal is estimated to generate an estimated \$4.153 million in revenue annually.

Oversight assumes the revenue generated from the proposal will provide the resources needed to administer the program and the net estimated effect of the extension would be \$0.

ASSUMPTION (continued)

Officials from the **Department of Agriculture** assume there would be no fiscal impact to their agency.

Officials from the **Department of Elementary and Secondary Education (DESE)** assume there is no anticipated state cost to the foundation formula associated with this proposal. To the extent fine revenues exceed 2004-2005 collections, any increase in this money distributed to school districts increases the deduction in the foundation formula the following year. Therefore the affected districts will see an equal decrease in the amount of funding received through the formula the following year; unless the affected districts are hold-harmless, in which case the districts will not see a decrease in the amount of funding received through the formula (any increase in fine money distributed to the hold-harmless districts will simply be additional money). An increase in the deduction (all other factors remaining constant) reduces the cost to the state of funding the formula.

Section 253.090

Officials from the **Department of Natural Resources (DNR)** assume this proposal authorizes the State Treasurer to deposit all monies in the State Parks Earnings Fund in any of the qualified depositories of the State.

Revenue into the State Parks Earnings (SPE) are derived from privileges, conveniences, concessionaire contracts and/or all money received by gifts, bequests, or contributions from county or municipal resources. Currently, interest received on these funds is deposited into the General Revenue Fund. This proposal allows interest to be maintained in the SPE Fund. No new fees or taxes are being requested under this proposal.

Currently, interest generated from the State Parks Earnings Fund is deposited to General Revenue. This proposal would allow the State Parks Earnings Fund to retain the interest. Assuming an interest rate of 0.5%, and projected revenues and expenditures, projected interest retained is estimated at \$111,000 for FY 2012, \$83,000 for FY 2013 and \$79,000 for FY 2014.

Officials from the **Division of Budget & Planning** defer their response to the Department of Natural Resources.

ASSUMPTION (continued)

Sections 621.250, 640.018, 640.116, 640.128, 640.850 & 644.051

Officials from the **Missouri House of Representatives, Department of Agriculture, Missouri Senate, and St. Louis County** assume no fiscal impact to their agencies.

Officials at the **Office of the Secretary of State (SOS)** many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The Secretary of State's Office is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal not to Secretary of State's office for Administrative Rules is less than \$2,500. The Secretary of State's Office recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, we also recognize that many such bills may be passed by the General Assembly in a give year and that collectively the costs may be in excess of what their office can sustain with their core budget. Therefore, they reserve the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the costs of advertising the statewide ballot measure related to this proposal within their current appropriation level. If multiple bills pass or if multiple ballot initiatives are validated which require similar advertising at substantial costs, the SOS could request funding through the appropriation process.

Officials from the **Division of Budget & Planning** defer their response to the Departments of Natural Resources, Conservation, Health & Senior Services, Economic Development and Agriculture.

Section 621.250.2

Officials from the **Office of Administration - Administrative Hearing Commission (AHC)** assume Section 621.250.2 places a deadline of 60 days from the filing of a complaint for the AHC to hold a hearing and issue a recommended decision. This is too short given the high volume and complexity of the cases heard at the AHC.

The Administrative Hearing Commission hears complex cases, including tax and professional licenses cases. By enacting such a short deadline on one type of case, all cases will be affected. The AHC is requesting a Commissioner, two attorneys, a paralegal, two court reporters, and two

ASSUMPTION (continued)

senior office assistants to meet this deadline. Expenditures include equipment for computers and Westlaw expenses.

Officials from the **Department of Natural Resources (DNR)** assume Section 621.250.2 of this proposal states that within thirty days of any finding, order, or decision for which authority to hear appeals was transferred to the Administrative Hearing Commission (AHC), any party aggrieved or adversely affected by the decision can initiate an appeal by filing a notice of appeal with the AHC. This includes appeals of decisions made by department commissions or by department staff in implementing the provisions of various environmental laws and regulations. Once the notice of appeal is filed with the AHC, the AHC has sixty days to hold a hearing and make a final recommendation on the appeal or to resolve the appeal by another method such as a settlement, consent order, or stipulation.

Section 621.250.3 of the proposal goes on to say that once the AHC has made its final recommendation, the recommendation is sent back to the commission having final authority over the decision. The environmental commission with final authority must issue a final decision within ninety days of the date the notice of appeal was filed with the AHC. Assuming the AHC takes its full sixty days allotted to hold a hearing and issue a recommendation, and the additional fifteen days allotted to the AHC to transmit its recommendation to the originating commission, that leaves the environmental commission with final authority only fifteen days to issue a final decision. Most of the environmental commissions only meet every other month. In order to decide an issue within the ninety day timeframe specified in this proposal, it is assumed special commission meetings could need to be scheduled for the commissions to discuss and decide the appeal. This would involve additional costs and staff time necessary to prepare and conduct a commission meeting, in addition to the regularly scheduled meetings.

Section 621.250.7 of the proposal states that any decisions made by the commissions shall be subject to administrative review before being entered in any court.

The fiscal impact to implement this proposal is unknown. Costs would be dependent upon the timing of the Administrative Hearing Commissions appeal process and recommendations and the number of appeals.

Officials from the **Division of Budget & Planning** defer their response to the Administrative Hearing Commission.

ASSUMPTION (continued)

Exemption for Well Construction Requirements (Section 640.116)

The **Department of Natural Resources** would not anticipate a direct fiscal impact as a result of this proposal, as department activities would be related to rulemaking and the addition of checking water usage during inspections.

Section 37.970

Officials from the **Department of Health and Senior Services (DHSS)** assume the requirement that any request for information be interpreted as a Sunshine request could require DHSS to respond to request for information much more timely. The statute requires that any data collected in the course of its duties shall be made available to the public in a timely matter. However it states that this section shall not be construed to limit or exceed the requirements of the provisions in Chapter 610. There is an argument that could be made that this section would apply to all requests, even a request for a birth or death certificate. This would require us to have a response within three working days or face action and fines. This broad interpretation could also include discovery requests, thus speeding up the time a response is needed.

The cost is unknown at this time, as it is impossible to estimate as to which requests this section would apply or and how many such requests are received.

Section 192.1250

Officials from the **Department of Health and Senior Services (DHSS)** assume this proposed section requires DHSS to examine the feasibility of implementing a real-time water quality testing system in the state and report its findings to the general assembly by December 31, 2011. It is not clear as to the intent and definition of a real-time water quality testing system, therefore the fiscal impact is unknown for this section.

Officials from the **Division of Budget & Planning** defer their response to the Department of Health and Senior Services.

Section 701.033.1(5)

Officials from the **Department of Health and Senior Services (DHSS)** assume the proposed language requires DHSS to provide technical assistance, guidance, and oversight regarding the regulation and enforcement of standards for on-site sewage disposal systems upon request or if the department determines that such assistance or oversight is necessary to prevent a violation. DHSS is unable to determine how many requests for technical assistance will develop as a result of this language, therefore the impact for this section is (unknown).

ASSUMPTION (continued)

Officials from the **Division of Budget & Planning** defer their response to the Department of Health & Senior Services.

Sections 253.082, 256.055 & 640.045

Officials from the **Office of Administration - Division of Budget** assume there will be no fiscal impact to their agency.

Officials from the **Department of Natural Resources** assume upon a request from the Director of the Department of Natural Resources, this proposal would authorize the Commissioner of the Office of Administration to provide funds in an amount not to exceed \$500 each to the division directors of State Parks, Geology and Land Survey, or to any other division within the department to be placed in a revolving fund for the purpose of cash transactions involving the sale of items made by the divisions.

Under this proposal, customers entering the central office in Jefferson City to purchase Division of State Parks' state park and historic site souvenirs and gift certificates would have the option of purchasing those items by cash rather than by credit card. Additionally, customers visiting the Jefferson City and Rolla offices of the Department would be able to purchase the Division of Geology and Land Survey's maps, publications, rock sets and other merchandise with cash. Division of State Parks, Division of Geology and Land Survey and the entire Department would be able to handle items sold at special events held throughout the state, including the State Fair, sports shows and conferences of which the Department is requested to be a part. Benefits would be measured by the potential increase in sales or customer traffic.

Officials from the **Office of Administration - Division of Accounting** assume this proposal will create a significant workload, however, their response is no impact. They assume the Division of Information Technology Services response will address the workload needs.

Sections 256.400 & 256.433

Officials from the **Department of Agriculture** and the **Department of Natural Resources** assume there will be no fiscal impact to their agency.

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

ASSUMPTION (continued)

Sections 260.262, 260.380 & 260.475

Officials from the **Department of Agriculture** and **Department of Health & Senior Services** assume there will be no fiscal impact to their agencies.

Officials from the **Department of Natural Resources (DNR)** assume under Section 260.262, this proposal would extend the expiration date of the \$0.50 fee on the sale of lead-acid batteries from June 30, 2011 through December 31, 2015. The department estimates approximately \$2.8 million would be collected for the lead-acid battery fee for the four and one-half year period as revenue to the Hazardous Waste Fund.

Under Section 260.380 and 260.475, this proposal would extend the expiration date of the hazardous waste fees from December 31, 2011 through December 31, 2015. The department estimates approximately \$5.6 million would be collected for land disposal fees, generator registration/annual renewal fees, in-state tonnage fees, and out-of-state tonnage fees from this extension.

The revenue projections were based on the following assumptions:

Land Disposal Fees, Generator Registration/Renewal Fees, In and Out of State Tonnage Fees for FY12-FY 16 were based on FY 12 Form 9 and held consistent through the expiration date. Due to the revised expiration date, FY 17 is estimated at 50% of projected revenues.

The projections assume the hazardous waste fees are extended to 12/31/15. The statutes require reports for waste generated for 6/30/15-12/31/15 to be submitted by August 14, 2016. Fees are calculated on generator reporting, and fee invoices would be mailed after reporting was received. Payment for the 6 month period would be due as established by RSMo 260.380, by December 31, 2016.

Without this extension, the battery fee would have expired on June 30, 2011. Since the fees are collected and remitted to the Department of Revenue on a quarterly basis these estimates assume that the fees collected through June 30, 2011 would have been remitted in the first quarter of fiscal year 2012 (assumed projected revenues for the months of July 2011 – September 2011).

FY 16 battery fee revenues are calculated at $\frac{3}{4}$ of one year (estimated revenues received July – March). The battery fee is required to be remitted quarterly to the state. This anticipates that retailers would collect the battery fees through December 31, 2015 and remit the last quarter in January-March 2016.

ASSUMPTION (continued)

Officials from the **Division of Budget & Planning (BAP)** defer their response to the Department of Natural Resources. However, according to BAP, there should be no effect on 18E calculations or TSR due to this extension.

Section 260.269

Officials from the **Attorney General's Office** assume that any potential costs arising from this proposal can be absorbed with existing resources.

Officials from the **Department of Health & Senior Services, Office of Administration, Governor's Office, Department of Mental Health, Department of Revenue, Department of Transportation, Department of Conservation, Missouri Consolidated Health Care Plan, State Emergency Management Administration, Department of Economic Development, Secretary of State's Office, Missouri Office of Prosecution Services, Office of State Courts Administrator, Administrative Hearing Commission, Division of Alcohol and Tobacco Control, Missouri Veteran's Commission, Department of Social Services, Department of Elementary and Secondary Education, Department of Agriculture, Missouri Gaming Commission, State Tax Commission, Missouri House of Representatives, State Auditor's Office, Department of Higher Education, Missouri Ethics Commission, Capitol Police, Missouri State Public Defender, Division of Fire Safety, State Treasurer's Office, Joint Committee on Public Employee Retirement, Missouri Lottery, Division of Insurance, Financial Planning and Professional Registration and Joint Committee on Administrative Rules** assume there will be no fiscal impact on their agencies.

Officials from the **Department of Natural Resources (DNR)** assume, as written, this proposal appears to be permissive; therefore, for purposes of this fiscal note the department would not anticipate a direct fiscal impact.

Sections 260.965, 319.130, 319.132

Officials from the **Department of Agriculture, Department of Transportation, Franklin County, St. Louis County** and **Department of Revenue** assume there will be no fiscal impact to their agencies.

Officials from the **Department of Natural Resources (DNR)** assume under Section 319.130 the Board of Directors of the Petroleum Storage Tank Insurance Fund would hold one or more public hearings to determine whether to create and fund an underground storage tank operator training

ASSUMPTION (continued)

program. The Department would work with the Department of Agriculture, the Board's Advisory Committee, and affected portions of the private sector to ensure the program meets federal requirements and take action should owners or operators fail to comply.

Department of Natural Resources

The Department would require 1 FTE (Environmental Specialist III) to conduct overview of the program and enforcement of non-compliers.

The ES III would perform on-site visits to underground storage tank facilities to review operator training records and to audit training classes conducted by the owner/operator. The ES III would be responsible for answering questions and providing technical assistance to owners/operators, both written and verbal, regarding operator training certification requirements. Additionally, the ES III would be responsible for assuring that proper records are maintained by the owner/operator and develop a means of tracking compliance with the requirements of this proposal. The ES III would also assist in establishing rules required under this legislation.

Petroleum Storage Tank Insurance Fund (PSTIF)

Existing staff would need to invest time for the first 1-2 years after passage of the bill to confer with industry representatives and other state agencies, hold a public hearing, write regulations (if the PSTIF Board decides to create and fund a training program), and implement a training program. After two years, it is expected the demand on staff time will decrease. It is not anticipated that any new employees will be required, although the Board may revise one or more of its existing contracts with service providers or may enter into new contracts.

PSTIF officials:

Assume interagency collaboration, public hearing and rulemaking would be done using existing staff.

Assume a decision is made by PSTIF Board during FY12 by the PSTIF Board to create and fund a training program.

Assume regulations are promulgated during FY12 and training is initiated in FY13.

Multiple vendors have designed and are offering training already; assume Missouri reviews and approves at least two vendors' training courses for use by Missouri UST operators, with the cost reimbursed by the PSTIF.

ASSUMPTION (continued)

Assume the PSTIF Board decides to combine Class A and Class B training, as some other states have done.

Assume the cost of class A/B training courses ranges from \$150 per person to \$200 per person, and that the cost for Class C training courses is \$15 per person.

Assume PSTIF will incur onetime software setup costs via its third party administrator of \$20,000 to modify its existing software or create new software, to maintain records on which UST sites have trained their personnel.

Assume a cost of \$10 per operating UST site per year to maintain training records and issue payments to trainers, (i.e., approved vendors).

Assume the PSTIF Board decides to implement 3 categories of training – Class A, Class B and Class C operators – as per federal guidelines.

Assume a 2-year period, (FY13 and FY14) to conduct training of Class A/B personnel for every operating UST location in the state.

There are currently approximately 3140 sites with operating USTs in Missouri, owned by approximately 1645 different owners. Assume that some owners have a single person serve as the Class A/B operator for multiple locations. As a best guess, assume that a total of 2,355 persons, (3/4 of 3140), will require Class A/B training. Assume that the training of Class A/B persons will occur over FY13 and FY14. Assume 10% of Class A/B persons will need retraining, (due to personnel turnover or other reasons), each year, beginning in FY15 and annually thereafter.

Further, assume that the PSTIF will incur costs to train approximately 6280, (2 x 3140), Class C operators, beginning in FY14 and annually thereafter. (There is a high turnover rate among Class C personnel; some large owners will train their own Class C personnel at no cost to the PSTIF; however, it is likely that small businesses will want the PSTIF to offer and pay for training of their Class C personnel.)

ASSUMPTION (continued)

FY13 – lower range cost estimate

$$\$20,000 + \frac{1}{2}(2355 \times \$150) + \frac{1}{2}(3140 \times \$10) = \$212,325$$

FY13 – higher range cost estimate

$$\$20,000 + \frac{1}{2}(2355 \times \$200) + \frac{1}{2}(3140 \times \$10) = \$271,200$$

FY14 – lower range cost estimate

$$\frac{1}{2}(2355 \times \$150) + (6280 \times \$15) + (3140 \times \$10) = \$302,225$$

FY14 – higher range cost estimate

$$\frac{1}{2}(2355 \times \$200) + (6280 \times \$15) + (3140 \times \$10) = \$361,100$$

FY15 – lower range cost estimate

$$0.1(2355 \times \$150) + (6280 \times \$15) + (3140 \times \$10) = \$160,925$$

FY15 – higher range cost estimate

$$0.1(2355 \times \$200) + (6280 \times \$15) + (3140 \times \$10) = \$172,700$$

Dry-Cleaning (Section 260.965)

Department of Natural Resources

Current law directs the department to administer the Drycleaning Environmental Response Trust Fund through August 28, 2012. This proposal would revise Section 260.965, RSMo by extending the expiration date to August 28, 2022 resulting in an additional ten years of overseeing the fund with the associated operating costs. The costs associated with the proposed extension are a continuation of existing costs and would not result in additional budget increases to the department.

Based on the most current reporting information, the revenues for the Drycleaning Environmental Response Trust Fund are estimated at \$338,741 in FY2011 with a decrease of approximately 1.2% annually through the life of the fund. This proposal would extend the revenues through FY2023. The department assumes the revenue would be used to fund continued investigation, assessment and remediation of releases of solvents from dry cleaning facilities and administer the DERT program.

The Department estimates the funds available through Aug. 28, 2012 will fund approximately 25 site reimbursements. In future years, reimbursements for cleanup costs are projected to decrease due to available funds and the reduction in staffing and related oversight capacity. The projections assume the current level of FTEs will be slowly decreased to a minimum of 2.5 to

ASSUMPTION (continued)

continue to provide a reduced level of services through the sunset date.

The Department projected activities from FY2013 through the first 2 months of FY2023 with the extension of this program. The Department assumes we would continue to receive additional applications and oversee on-going and additional cleanups. Based on current revenue projections, even with the revenues received from the proposed extension, if complete reimbursements are the goal then the fund would have to cease accepting new applications at some point during the extension period.

Depending on the timing of site cleanup and reimbursement requests the fund would become insolvent prior to the sunset date in FY 2023. The department assumes that if the sunset is not extended we would discontinue collecting fees and administering the DERT program. It is undetermined at this time how the close out of the program and any remaining fund balance would be handled.

Officials from the **Division of Budget & Planning (BAP)** defer their response to the Department of Natural Resources. However, according to BAP, there should be no effect on 18E calculations or TSR due to this extension.

Section 247.060

Officials from the **Office of State Courts Administrator, County of St. Louis** and the **City of Kansas City** assume that there is no fiscal impact from this proposal.

No other Cities, Counties or Water Districts responded to **Oversight's** request for fiscal impact.

Oversight assumes this proposal is discretionary and would have no local fiscal impact without action by the governing body.

Sections 643.020, 643.040, 643.050, 643.060, 643.079, 643.080, 644.145 & 701.058

In response to SB 958, 5021-01 in 2010, officials from the **Department of Natural Resources** assume this proposal would eliminate certain conflicts between state statute and corresponding state and federal regulations. The department would not anticipate a direct fiscal impact from this proposal.

ASSUMPTION (continued)

Oversight assumes, as was stated by the Department of Natural Resources in their response, this proposal would eliminate certain conflicts between state statute and corresponding state and federal regulations. **Oversight** assumes there would be no direct fiscal impact from this proposal.

Officials from the **Division of Budget & Planning (BAP)** defer their response to the Department of Natural Resources. However, according to BAP, there should be no effect on 18E calculations or TSR due to this extension.

This proposal contains an emergency clause.

	FY 2012	FY 2013	FY 2014
<u>FISCAL IMPACT - State Government</u>	(10 Mo.)		
GENERAL REVENUE			
<u>Revenue - Department of Natural Resources (Section 253.090)</u>			
Loss of Interest Revenue	<u>(\$111,196)</u>	<u>(\$82,868)</u>	<u>(\$79,400)</u>
<u>Costs - Administrative Hearing Commission</u>			
Salaries	(\$314,600)	(\$384,050)	(\$390,732)
Fringe Benefits	(\$164,662)	(\$201,012)	(\$204,509)
Equipment and Expense	<u>(\$29,056)</u>	<u>(\$17,156)</u>	<u>(\$17,671)</u>
Total	<u>(\$508,318)</u>	<u>(\$602,218)</u>	<u>(\$612,912)</u>
<u>Costs - Department of Natural Resources</u>			
Additional costs dependent on appeal process	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$619,514 to Unknown)</u>	<u>(\$685,086 to Unknown)</u>	<u>(\$692,312 to Unknown)</u>
Estimated Net FTE (Administrative Hearing Commission)	8	8	8
WATER PERMIT FEES FUND			
<u>Revenue - Department of Natural Resources</u>			
Other Fund Costs (Water Permit Fees)	Unknown	Unknown	Unknown
<u>Cost - Department of Natural Resources</u>			
Other Fund Costs (Water Permit Fees)	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON WATER PERMIT FEES FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - State Government</u> (continued)	FY 2012 (10 Mo.)	FY 2013	FY 2014
STATE PARK EARNINGS FUND			
<u>Revenue</u> - Department of Natural Resources (Section 253.090)			
Interest Revenue	<u>\$111,196</u>	<u>\$82,868</u>	<u>\$79,400</u>
ESTIMATED NET EFFECT ON STATE PARK EARNINGS FUND	<u>\$111,196</u>	<u>\$82,868</u>	<u>\$79,400</u>
HAZARDOUS WASTE FUND			
<u>Revenue</u> - Department of Natural Resources (Sections 260.262, 260.380 & 260.475)			
Hazardous Waste Fees	\$0	\$700,000	\$1,400,000
Lead Acid Battery Fees	<u>\$450,000</u>	<u>\$630,000</u>	<u>\$630,000</u>
ESTIMATED NET EFFECT ON HAZARDOUS WASTE FUND	<u>\$450,000</u>	<u>\$1,330,000</u>	<u>\$2,030,000</u>
PETROLEUM STORAGE TANK INSURANCE FUND			
<u>Cost</u> - Petroleum Storage Tank Insurance Fund - Professional Services			
	\$0	(\$212,235 to <u>\$271,200</u>)	(\$302,225 to <u>\$361,100</u>)
ESTIMATED NET EFFECT ON PETROLEUM STORAGE TANK INSURANCE FUND	<u>\$0</u>	<u>(\$212,235 to \$271,200)</u>	<u>(\$302,225 to \$361,100)</u>

<u>FISCAL IMPACT - Federal Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
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FEDERAL FUNDS

<u>Cost - Department of Natural Resources</u>			
Salaries	(\$39,696)	(\$49,065)	(\$50,536)
Fringe Benefits	(\$20,777)	(\$25,681)	(\$26,451)
Equipment & Expense	<u>(\$11,959)</u>	<u>(\$4,704)</u>	<u>(\$4,843)</u>

ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>(\$72,432)</u>	<u>(\$79,450)</u>	<u>(\$81,830)</u>
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Estimated Net FTE Change	1	1	1
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<u>FISCAL IMPACT - Local Government</u>	FY 2012(10 Mo.)	FY 2013	FY 2014
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ESTIMATED NET EFFECT ON LOCAL GOVERNMENT	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
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FISCAL IMPACT - Small Business

No additional impact on small business is anticipated. Small businesses that meet the requirements to secure Missouri State Operating Permits for discharge of pollutants into the waters of the state are currently paying these fees, which are now expired as of December 31, 2010.

Administrative Hearing Commission (Section 621.250)

This legislation has the potential to have an economic impact on small business as the business may choose to have legal representation before the Administrative Hearings Commission rather than representing themselves during the appeals process. Additionally, the proposed section 621.250.7 provides for the notice of appeal to be accompanied by a surety bond when the notice is filed by other than the applicant for the permit. A small business filing a notice of appeal, when they are not the applicant for the permit, would bear the cost of the surety bond.

Small business could be impacted by a change in the financial assurance instruments available to them as a result of the change in the appeals process. Small businesses frequently obtain lines of

FISCAL IMPACT - Small Business (continued)

credit with their local banking institution. With Administrative Hearings Commission (AHC) involvement potentially lengthening the timeframe for resolution of appeals past the amount of time for lapsing of financial assurance instruments, the Department would likely cease taking lines of credit as an acceptable form of financial assurance. The initial costs of obtaining surety and other bonds routinely are approximately 10% of the face value of the bond.

Additional Permit Requirements (Section 640.018)

Small businesses may also feel compelled to hire a licensed Professional Engineer to submit documents to the Department, assuming this would speed up the permit process. Currently, many small businesses use in-house staff, not Professional Engineers, to fill out their paperwork and submit it to the Department for review.

Sections 260.262, 260.380 & 260.475

Yes. Retail facilities that sell lead-acid batteries would continue to collect the fee as allowed under this proposal and transfer the fees and remittance reports to the Department of Revenue. They would continue to retain 6% of the fees for collection costs. Section 260.262 would be extended until December 31, 2015.

Small businesses that purchase lead-acid batteries would continue to be subject to the \$.50 fee on each battery purchased.

Section 260.475 requires every hazardous waste generator located in Missouri to pay, in addition to the fees imposed in section 260.380, a fee of twenty-five dollars per ton annually on all hazardous waste which is discharged, deposited, dumped or placed into or on the soil as a final action, and two dollars per ton on all other hazardous waste transported off site.

Section 260.380 requires that all hazardous waste generators pay a one hundred dollar registration fee upon initial registration, and a one hundred dollar registration renewal fee annually thereafter to maintain an active registration.

Generators pay annually a fee of five dollars per ton or portion thereof of hazardous waste registered with the department not to exceed fifty-two thousand dollars per generator site per year nor be less than one hundred fifty dollars per generator site per year.

Missouri treatment, storage, or disposal facilities pay annually a fee equal to two dollars per ton or portion thereof for all hazardous waste received from outside the state.

FISCAL IMPACT - Small Business (continued)

Registered hazardous waste generators subject to the hazardous waste fees would be impacted. Under this proposal, there would be no change to the current system, except that the fee expiration is extended to December 31, 2015.

Section 260.269

The proposed legislation could have a positive economic impact on small businesses that are permitted scrap tire haulers, permitted scrap tire processing facilities or end users of scrap tire materials. Nearly 5.5 million scrap tires are generated each year in Missouri.

The positive impacts that could result from the proposed legislation are:

Increased revenue for permitted scrap tire haulers paid by state agencies or political subdivisions for transporting tires to a permitted scrap tire processing facility or end user of tire shred material.

Increased revenue for permitted scrap tire processing facilities or end users of tire shred material paid by state agencies or political subdivisions for taking the scrap tires or scrap tire shreds for recycling or disposal.

The negative impact that could result from this proposed legislation is:

The number of scrap tires remaining available from illegal dump site clean-ups across Missouri which require recycling or disposal by state agencies or political subdivisions is decreasing. Small processors may eventually be forced into competition with each other for available scrap tires or tire shred material. This could result in reduced revenues to the processors and end users as prices paid by state agencies or political subdivisions would likely decrease as competition for the remaining scrap tires and scrap tire shreds increases. (Note: The large tire piles of the 1970s and 1980s have been cleaned-up. The Department is currently working to clean tires from historic dump sites which frequently consist of fewer tires spread across larger acreages resulting in higher labor costs for clean-up activities.)

Dry-Cleaning (Section 260.965)

Department of Natural Resources

Dry cleaning facilities would continue to operate under current statutes and pay applicable registration fees. Solvent suppliers would continue to pay a surcharge on the amount of solvents supplied to dry cleaning facilities.

FISCAL IMPACT - Small Business (continued)

The DERT would continue to provide potential reimbursement for drycleaners cleanup expenses on contaminated sites.

Underground Storage Tank Operator Training Program (Section 319.130)

Department of Natural Resources

Because the legislation requires operator certification training to be provided at no cost to the participant, we do not anticipate an economic impact on small business.

Petroleum Storage Tank Insurance Fund

Yes, if the PSTIF Board of Trustees determines that an operator training program is required, at least one employee for every convenience store and other location where fuel is stored in underground tanks will have to be trained. Though the training will be provided at no charge, to the extent that the employee(s) are diverted from their regular duties to attend a training class, there will be lost productivity for the business.

FISCAL DESCRIPTION

This proposed legislation modifies various provisions pertaining to the regulation and protection of natural resources.

The commission's authority to charge fees for construction permits, operating permits, and operator's certifications related to water pollution control is extended from December 31, 2010, to December 31, 2015.

The bill contains an emergency clause.

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 Agriculture
State Treasurer's Office
Attorney General's Office
Department of Health and Senior Services
Office of Administration
Governor's Office
Department of Mental Health
Department of Revenue
Department of Transportation
Department of Conservation
Missouri Consolidated Health Care Plan
State Emergency Management Administration
Department of Economic Development
Secretary of State's Office
Missouri Office of Prosecution Services
Office of State Courts Administrator
Administration Hearing Commission
Division of Alcohol and Tobacco Control
Missouri Veterans Commission
Department of Social Services
Department of Elementary & Secondary Education
Missouri Gaming Commission
State Tax Commission
Missouri House of Representatives
State Auditor's Office
Department of Higher Education
Missouri Ethics Commission
Capitol Police
Missouri State Public Defender
Division of Fire Safety

SOURCES OF INFORMATION (continued)

Joint Committee on Public Employee Retirement
Joint Committee on Administrative Rules
Administrative Hearing Commission
Missouri Lottery
Division of Insurance, Financial Planning & Professional Registration



Mickey Wilson, CPA
Director
May 2, 2011