

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0985-02  
Bill No.: SB 398  
Subject: Natural Resources Dept., Environmental Protection, State Departments, Waste Hazardous, Water Resources and Water District  
Type: Original.  
Date: February 26, 2003

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>
<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 6 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 from the **Department of Revenue, Office of State Treasurer, Department of Transportation, Department of Agriculture and Department of Conservation** assume there would be no fiscal impact to their agency.

Officials from the **Secretary of State** assume this proposal provides for the creation of the Missouri Natural Resources and Environment Commission within the Department of Natural Resources and dissolves the Clean Water Commission, Hazardous Waste Commission, Land Reclamation Commission, Soil and Water Districts Commission and the Safe Drinking Water Commission. All the duties and rulemaking authority of the various agencies will be transferred to the Missouri Natural Resources and Environment commission. This legislation may require printing additional pages in the Missouri Register and the Code of State Regulations. These publications are printed by the State Printing Center, which may be impacted by this proposal.

Based on experience with other divisions, the rules, regulations and forms issued by the Department of Natural Resources could require as many as 1,000 pages in the Code of State Regulations. For any given rule, roughly half again as many pages are published in the Missouri Register as in the Code of State Regulations because cost statements, fiscal notes and the like are

not repeated in Code. These costs are estimated. The estimated cost of a page in the Missouri

ASSUMPTION (continued)

Register is \$23.00. The estimated cost of a page in the Code of State Regulations is \$27.00. The actual cost could be more or less than the numbers given. The impact of this legislation in future years is unknown and depends upon frequency and length of rules filed, amended, rescinded and withdrawn.  $[(1,000 \times \$27) + (1,500 \times \$23) = \$61,500]$

**Oversight** assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. Oversight assumes at least part of the cost of printing and distributing rules relating to this proposal could be recovered through sales of the regulations at substantial costs, the SOS could request funding through the appropriation process. Any decision to raise fees to defray costs would likely be made in subsequent fiscal years. Oversight also assumes that the new rules would replace old ones and the net cost to SOS is not expected to be \$61,500.

Officials from the **Department of Natural Resources (DNR)** assume this proposal would result in a Type I transfer of all rights, powers, and functions of the Director of the Department of Natural Resources in the areas outlined in the proposal as well as the commissions to the newly created 5-member Missouri Natural Resources and Environmental Commission (MNREC). The proposal allows for the MNREC to hold regular meetings on a monthly basis and additional meetings as deemed desirable. The department assumes that there could be delays in activities as the MNREC would be hearing issues that would have been handled by seven separate boards/commissions. Estimates of possible delays are unknown.

Further the department would be obligated for fiscal years 2004-2008 to transfer \$150,000 annually from the air pollution control fund, hazardous waste fund, water pollution control fund, solid waste management fund, natural resources protection fund, natural resources protection fund-water pollution permit fees subaccount, natural resources protection fund-air pollution permit fees subaccount, soil and water sales tax fund, the mined land reclamation fund, and natural resources revolving services fund, or \$1.5M, to the commission for personal services and expense and equipment. Members of the new commission would receive an annual salary commensurate with the salaries of the Missouri Public Service Commission.

Some of the funds outlined in the proposal do not have fund balances and annual revenues to support this transfer; some of the funds outlined in this proposal are components of federal programs and the proposed transfers would not be allowable under those federal grants putting those federal funds in jeopardy; some of the funds outlined in the proposal would result in unallowable transfers; and the remainder of the funds outlined in the proposal would result in a

reduction in the level of services currently provided from those affected funds.

ASSUMPTION (continued)

Currently, the commissions members only receive reimbursement for their reasonable and necessary expenditures. Therefore, the savings realized by abolishing the commissions would be more than offset by the cost of the new commissions salaries.

The Petroleum Storage Tank Services Fund Board (PSTIF) officials noted that the proposal transfers statutory authority to hear appeals currently vested in the PSTIF Board of Trustees to the new MNREC. However, no such statutory authority currently exists and the PSTIF Board of Trustees does not currently hold contested hearings on appeals. Therefore, it is difficult to assess the fiscal impact on PSTIF. If one assumes that the bill creates a new appellate process, then additional resources involving staff and attorney time to prepare for and testify at the hearings of the MNREC would result from this proposal.

**Oversight** assumes the cost of compliance with this proposal is unknown and would be subject to appropriations through the normal budget process.

Officials from the **Office of Administration and Department of Agriculture** did not respond.

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

<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

VAL:LR:OD (12/02)

Any small business affected by the commissions and boards in the Department of Natural Resources outlined in the proposal will be impacted.

### DESCRIPTION

This act transfers the Clean Water Commission, Hazardous Waste Commission, Land Reclamation Commission, Soil and Water District, and the Safe Drinking Water District to a new commission titled the "Missouri Natural Resources and Environment Commission" through the process of a Type I transfer.

All the pending appeals and other disciplinary action which are pending in any of the above-mentioned commissions are transferred to the Missouri Natural Resources and Environment Commission on August 28, 2003.

All the authority conferred on the various commissions by statutes or regulations are transferred to the new commission.

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

Office of Secretary of State  
Department of Natural Resources  
Department of Revenue  
Office of State Treasurer  
Department of Transportation  
Department of Conservation  
Department of Agriculture

### NOT RESPONDING

Office of Administration

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A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive style with a large, stylized "M" and "W".

Mickey Wilson, CPA  
Director  
February 26, 2003