

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1965-01  
Bill No.: SB 630  
Subject: Eliminates need for Basic Air Operating Permit for air contaminant Class B sources  
Type: Original  
Date: March 10, 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>
Fund 0594 NRP - Permit	(\$76,000)	(\$76,000)	(\$76,000)
<b>Total Estimated Net Effect on Other State Funds</b>	<b>(\$76,000)</b>	<b>(\$76,000)</b>	<b>(\$76,000)</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 4 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 Health** assume no fiscal impact to their agency.

Officials from the **Department of Natural Resources** assume the proposal would eliminate the requirement for Class B sources, as defined in RSMo 643.020 to obtain an operating permit. A wide variety of small manufacturers fall into this category. Examples include: quarries, concrete/asphalt plants, sand and gravel operations, dry cleaners, fertilizer manufacturers, sawmills, grain and feed plants (such as MFA), small printing companies, food processors, small paint and coatings businesses, small city electric utilities. This would affect approximately 700 installations state wide. These 700 installations constitute approximately 5% of the operating permits workload.

Of the approximately 700 B class facilities, 100 will be exempted in a proposed rule the department is filing this month. The proposed ruled exempts portable limestone sources from the operating permit requirement. This exemption will affect quarries, sand and gravel operations, and concrete/asphalt plants.

VAL:LR:OD (12/02)

The Operating Permit program was established to accomplish the task of identifying and

ASSUMPTION (continued)

recording existing air requirements applicable to a source and to ensure compliance with these existing requirements. The operating permit is a vehicle to define and explain current compliance requirements. Eliminating the operating permit would save the affected sources a \$100 filing fee paid every 5 years and submission of the Annual Compliance Certification. The affected facilities would still have to comply with all applicable state and federal laws and regulations and remit an emission fee. It would also mean that the affected sources would not receive a permit that identifies the affected facilities compliance requirements. This could result in industry resources redirected into compliance efforts.

Fiscal Impact:

Permit Fees:

700 facilities/5 (each facility receives a new permit every 5 years) = 140 facilities/yr.

140 facilities x \$100 permit fee = \$14,000/yr.

Emission Fees:

The proposal affects approximately 700 sources. Of those 700 sources, 500 are required to obtain construction permits. Approximately 200 sources would be eliminated from the permit program entirely. The department estimates that these 200 sources average emitting 10 tons of pollutants per year. This constitutes approximately a \$62,000 reduction in revenue per year.

200 sources x 10 tons (average emissions per year) = 2,000 tons

2,000 tons per year x \$31/ton emission fee = \$62,000

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
<b>OTHER STATE FUNDS</b>			
<u>Loss - Department of Natural Resources</u>			
Fund 0594 NRP - Permit	<u>(\$76,000)</u>	<u>(\$76,000)</u>	<u>(\$76,000)</u>
<b>TOTAL LOSS OTHER STATE FUNDS</b>	<b><u>(\$76,000)</u></b>	<b><u>(\$76,000)</u></b>	<b><u>(\$76,000)</u></b>

FISCAL IMPACT - Local Government

FY 2004  
(10 Mo.)

FY 2005

FY 2006

\$0

\$0

\$0

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

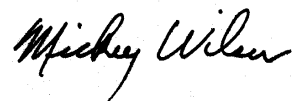
DESCRIPTION

This act eliminates the necessity of having a Basic Air Operating Permit for an air contaminant Class B source pursuant to Missouri Clean Air Law.

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 Health  
Department of Natural Resources



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Director  
March 10, 2003