

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5203-02
Bill No.: SCS for SB 782
Subject: Boards, Commissions, Committees and Councils; Fees; Mining and Oil and Gas Production; Department of Natural Resources; Waste - Hazardous; Water Resources and Water Districts
Type: Original
Date: March 9, 2018

Bill Summary: This proposal modifies provisions relating to fees assessed by the Department of Natural Resources.

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|--|------------|------------|------------|
| FUND AFFECTED | FY 2019 | FY 2020 | FY 2021 |
| | | | |
| Total Estimated Net Effect on General Revenue | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | | | |
|---|-------------------------------|-------------------------------|-------------------------------|
| FUND AFFECTED | FY 2019 | FY 2020 | FY 2021 |
| Mined Land Reclamation | \$250,000 | \$500,000 | \$500,000 |
| State Parks Earning Fund | (Up to \$40,993) | (Up to \$51,430) | (Up to \$51,683) |
| Total Estimated Net Effect on <u>Other</u> State Funds | Could exceed \$210,000 | Could exceed \$450,000 | Could exceed \$450,000 |

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 6 pages.

| ESTIMATED NET EFFECT ON FEDERAL FUNDS | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2019 | FY 2020 | FY 2021 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE) | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2019 | FY 2020 | FY 2021 |
| | | | |
| | | | |
| Total Estimated Net Effect on FTE | 0 | 0 | 0 |

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

| ESTIMATED NET EFFECT ON LOCAL FUNDS | | | |
|--|----------------|----------------|----------------|
| FUND AFFECTED | FY 2019 | FY 2020 | FY 2021 |
| Local Government | \$0 | \$0 | \$0 |

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Natural Resources (DNR)** assume the following regarding this proposal:

Section 253.175 would require the Department's Division of State Parks (DSP) to repair and maintain all fencing coinciding with the boundary between landowners and the Missouri Rock Island Spur of the Katy Trail State Park. DSP may also provide all necessary supplies and equipment to landowners to make the repairs and maintenance of the fence if the landowner agrees. This proposal would also require DSP to use employed staff or volunteers and to pay for all expenses from the State Parks Earning Fund.

Sections 260.380, 260.475, 444.768, 444.772, and 644.057 clarify that any fee, bond, or assessment structure process would expire on August 28, 2024, along with the authority of the Director or respective commission to modify the fee structure.

Section 644.016(6) and (25): The emphasis on point source as part of the definition for discharge and water contaminant source may make it more difficult to enforce the Missouri Clean Water Law in cases where the source of the pollution may be a spill or release from a non-point source.

The definition of "water contaminant" in section 644.016(24) includes pollutants as defined by "any federal water pollution control act," but the definition of "Water contaminant source" in 644.016(25) is modified to exclude pollutant contributions from non-point sources, and explicitly excludes agricultural contributions.

The current portion of the Rock Island Spur is 47.7 trail miles, which equates to 95 fencing miles. For purposes of this fiscal note, DSP estimates up to 10% of the total fencing would need repairs or replacement each fiscal year. DSP would need additional resources to perform the maintenance and repairs of fencing each year. It is always recommended for safety reasons to work as a team of two for fencing installation. Tasks that require a team include clearing of fence rows so fencing can be repaired/replaced (this may include the use of chainsaws and other power tools), expedited opening/shutting of gates to cause minimal impacts to trail users, allowing for the proper stretching of barbed wire and other fencing material along with the installation of fence poles which is sometimes done at significant distances depending on the boundary lines.

The Department would need tools and equipment to repair locations on the trail and fencing supplies. Fencing supplies are currently costing \$4,712 per mile which equates to \$47,112 annually. Small tools are estimated to cost around \$3,000 annually.

ASSUMPTION (continued)

Therefore the total annual costs include an estimated \$0 to \$51,430 in expenses and supplies.

DNR also states the following amounts have been collected for surface mining fees (\$444.772) and deposited into the Mined Land Reclamation Fund (0906):

| | |
|--------------------|-----------|
| FY 2018 (6 months) | \$347,321 |
| FY 2017 | \$584,282 |
| FY 2016 | \$450,741 |
| FY 2015 | \$463,301 |

Oversight notes that the authority to collect the fees in Section 444.772, RSMo expires on December 31, 2018. This proposal extends that expiration date to December 31, 2024. Therefore, Oversight will reflect a revenue extension (continuance) of \$500,000 (average fee collected over the past three full fiscal years) each fiscal year for this proposal.

Officials from the **Department of Labor and Industrial Relations, Department of Agriculture, Department of Health and Senior Services and Office of Administration - Administrative Hearing Commission** each assume the proposal will have no fiscal impact on their respective organizations.

| <u>FISCAL IMPACT - State Government</u> | FY 2019 (6 Mo.) | FY 2020 | FY 2021 |
|---|-------------------------|-------------------------|-------------------------|
| MINED LAND RECLAMATION FUND | | | |
| <u>Revenue Extension</u> - DNR - Extension of Fee (\$444.772) from 12/31/18 to 12/31/2024 | <u>\$250,000</u> | <u>\$500,000</u> | <u>\$500,000</u> |
| ESTIMATED NET EFFECT ON THE MINED LAND RECLAMATION FUND | <u>\$250,000</u> | <u>\$500,000</u> | <u>\$500,000</u> |

| | | | |
|---|---------|---------|---------|
| <u>FISCAL IMPACT - State Government</u> | FY 2019 | FY 2020 | FY 2021 |
| (continued) | (6 Mo.) | | |

STATE PARKS EARNING FUND

| | | | |
|---|-------------------------|-------------------------|-------------------------|
| <u>Cost - DNR - equipment and expense for repair and maintenance of fencing (\$253.175)</u> | <u>(Up to \$40,993)</u> | <u>(Up to \$51,430)</u> | <u>(Up to \$51,683)</u> |
|---|-------------------------|-------------------------|-------------------------|

| | | | |
|---|--------------------------------|--------------------------------|--------------------------------|
| ESTIMATED NET EFFECT ON THE STATE PARKS EARNING FUND | <u>(Up to \$40,993)</u> | <u>(Up to \$51,430)</u> | <u>(Up to \$51,683)</u> |
|---|--------------------------------|--------------------------------|--------------------------------|

| | | | |
|---|---------|---------|---------|
| <u>FISCAL IMPACT - Local Government</u> | FY 2019 | FY 2020 | FY 2021 |
| | (6 Mo.) | | |

| | | | |
|--|------------|------------|------------|
| | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
|--|------------|------------|------------|

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This act requires the Division of State Parks within the Department of Natural Resources to maintain the fence coinciding with the boundary between individual landowner property and the historic Missouri Rock Island railroad corridor, with costs being paid by the State Park Earnings Fund. Nothing in this act shall be construed to require an individual landowner to locate a fence on his or her own property.

Currently, the Director of the Department of Natural Resources and the Hazardous Waste Management Commission, Missouri Mining Commission, and the Clean Water Commission may take certain actions to modify their respective fee structures. The authority of the Director and respective commissions to modify such fee structures expires on August 28, 2024. Under this act, any fee, bond, or assessment structure established under such fee modification process shall also expire on August 28, 2024.

Currently, application fees assessed to surface mining operating permits are set to expire on December 31, 2018. This act extends this expiration to December 31, 2024.

FISCAL DESCRIPTION (continued)

The Director of the Department of Natural Resources was required to conduct a comprehensive review of the clean water fee structure and submit a report to the General Assembly by December 31, 2012. This act repeals this provision.

For purposes of the Missouri Clean Water Law, this act modifies the definitions of "discharge", "water contaminant", "water contaminant source", and "waters of the state".

Currently, it is unlawful for any person to place, cause, or permit to be placed any water contaminant in a location where it is reasonably certain to cause pollution of any waters of the state. Under this act, it is unlawful for any person to place, cause, or permit to be placed any water contaminant in a location where it is demonstrably certain to cause such pollution.

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 Labor and Industrial Relations
Office of Administration - Administrative Hearing Commission
Department of Health and Senior Services
Department of Agriculture

Ross Strobe



Acting Director
March 9, 2018