

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3346-01
Bill No.: HB 933
Subject: Business and Commerce; Environmental Protection; Natural Resources Dept.
Type: Original
Date: March 2, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of State Courts Administrator** and **State Auditor's Office** assume no fiscal impact to their agencies.

In a similar proposal officials from the **Attorney General's Office** assume there may be additional litigation resulting from this proposal. Costs are unknown but potentially significant, requiring additional staff.

Officials from the **Department of Transportation (MoDOT)** assume they may elect to develop a compliance management system or environmental management system. If MoDOT elects to develop these systems, this legislation would have a fiscal impact on MoDOT by requiring ten additional Environmental Compliance Coordinators to be hired to prepare a compliance plan, conduct audits statewide and document the audit process. This proposal would have no fiscal impact on MoDOT.

Officials from the **Department of Natural Resources (DNR)** assume this proposal encourages increased environmental self-vigilance to ensure compliance with state and federal permit requirements; however, the department is unable to determine the fiscal impact of this bill. Since this legislation, which includes certain immunities, is being proposed, the department assumes there must be a certain amount of known noncompliance with environmental laws and

ASSUMPTION (continued)

regulations. The department does not know what other noncompliance with environmental laws and regulations exist at this time. Therefore, we cannot estimate the increased resources that would be needed to assist facilities return to compliance if they avail themselves of the immunity provision of this legislation.

Based on the February 27, 1995 vote of the Oversight Subcommittee on a similar proposal all fiscal impact to the state and federal funds have been removed to reflect a \$0 impact.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
	<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.

DESCRIPTION

This bill sets out in detail the conditions under which noncompliance with environmental regulations by an entity subject to environmental law will be protected from administrative, civil, and criminal penalties and prosecution and public disclosure pursuant to Chapter 610, RSMo.

The principal conditions include:

- (1) Discovery of the noncompliance through a voluntary, as opposed to legally mandated, internal environmental audit or compliance management system;
- (2) Full and timely disclosure of the noncompliance to the Department of Natural Resources;

DESCRIPTION (continued)

(3) Discovery and disclosure of the noncompliance prior to any governmental inspection or investigation, third-party complaint, whistle-blower employee report, or imminent discovery by any regulatory department or agency;

(4) Time limits for correcting the noncompliance;

(5) Written agreements to take necessary steps to prevent recurrence;

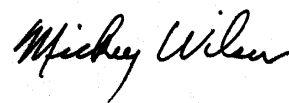
(6) Absence of occurrence of the identical noncompliance by the facility within the previous three years or within the previous five years at facilities owned or operated by the same entity; and

(7) The entity's cooperation with the department to determine the applicability of the protections afforded by the bill.

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 Attorney General
Department of Natural Resources
Department of Transportation
Office of State Courts Administrator
State Auditor's Office



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