

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4213-03
Bill No.: HCS for HB 1277
Subject: Environmental Protection; Natural Resources Dept.
Type: Original
Date: March 12, 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
Hazardous Waste Remedial Fund	\$500,000	\$1,000,000	\$0
Hazardous Waste Fund	\$750,000	\$1,500,000	\$0
Total Estimated Net Effect on Other State Funds	\$1,250,000	\$2,500,000	\$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 **Department of Transportation, Department of Economic Development and Attorney General's Office** assume no fiscal impact.

Officials of the **Department of Revenue** assume this proposal establishes a commission to review fees and extends the hazardous waste fee through June 30, 2006. This proposal has no fiscal impact on the Department of Revenue.

Officials from the **Department of Natural Resources (DNR)** assume beginning July 1, 2004, a joint committee appointed by the Speaker of the House of Representatives and the President Pro Tem of the senate shall consider proposals for restructuring fees paid by hazardous waste generators and hazardous waste facilities. The HWP assumes staff time would be required to prepare and submit information that is requested from the joint committee, resulting in a shift of duties for HWP staff. The program is unable to estimate how much time will be necessary to prepare for committee requests.

This proposal would allow Missouri treatment storage and disposal facilities receiving hazardous waste from out of state generators to submit registration and reporting information and pay applicable fees on behalf of the out of state generators. This section of the proposal will not result in any fiscal impact to the department.

VL:LR:OD (12/02)

ASSUMPTION (continued)

This proposal extends the sunset date of the category fee and land disposal fees to June 30, 2006, except that the department shall levy and collect this fee for any hazardous waste generated prior to this date. Extension of the fees will not result in a fiscal impact.

Current statute provides revenue from the category fee and land disposal fee through January 1, 2005 (first six months of FY05). The proposed legislation would extend the sunset date of the category fee that support the hazardous waste program to June 30, 2006. Extension of the sunset for the category fee will continue the current revenue stream. This does not affect the department's authority regarding these issues. Therefore the department will not be impacted by this part of the proposal.

Revenue received as a result of this legislation is projected to be \$750,000 to the Hazardous Waste Remedial Fund and \$500,000 to the Hazardous Waste Fund for the six month period of FY05 beginning January 1, 2005. The continued fee will generate about \$1.5 million annually into the Hazardous Waste Remedial Fund and \$1 million annually to the Hazardous Waste Fund.

Projected revenues for FY 2006 that would be generated are approximately \$2,351,053 in category fees (40% to HWRF and 60% to HWF) and \$142,045 in land disposal fees (40% HWRF and 60% to HWF).

The DNR assumes the revenue will be used to support the regulation of hazardous wastes in the state of Missouri. Revenue from the category fee is a critical component of the funding that support the regulation, compliance and enforcement activities of the Hazardous Waste Program and Regional Offices. This funding also supports emergency response activities conducted by the Environmental Services Program.

<u>FISCAL IMPACT - State Government</u>	FY 2005	FY 2006	FY 2007
HAZARDOUS WASTE REMEDIAL FUND			
<u>Income - DNR</u>			
Hazardous Waste Remedial Fund	\$500,000	\$1,000,000	\$0
Hazardous Waste Fund	<u>\$750,000</u>	<u>\$1,500,000</u>	<u>\$0</u>
NET ESTIMATED EFFECT ON HAZARDOUS WASTE REMEDIAL FUND	<u>\$1,250,000</u>	<u>\$2,500,000</u>	<u>\$0</u>

FISCAL IMPACT - Local Government

FY 2005

FY 2006

FY 2007

\$0

\$0

\$0

FISCAL IMPACT - Small Business

Registered hazardous waste generators subject to the land disposal fee tax would be impacted. There would be no change to the current system, except that the obligation to pay these fees would be extended beyond January 1, 2005. Under current law, there is no obligations for these people to pay fees after that date.

This proposal would allow Missouri treatment storage and disposal facilities receiving hazardous waste from out of state generators to submit registration and reporting information and pay registration fees on behalf of the out of state generators. Since it is unknown how many treatment, storage, and disposal facilities will choose to register and pay applicable fees on behalf of out of state generators, economic impact cannot be adequately determined.

DESCRIPTION

Beginning July 1, 2004, this substitute requires a joint committee appointed by the Speaker of the House of Representatives and the President Pro Tem of the Senate to consider proposals for restructuring the fees paid by hazardous waste generators and hazardous waste facilities. The committee will consider options for expanding the fee structure to more fairly apportion the cost of services provided among those that benefit from the services. The committee will submit a report with its recommendations for changes to the Governor, the House of Representatives, and the Senate no later than December 31, 2004.

The substitute also allows Missouri treatment, storage, and disposal facilities that receive hazardous material from out-of-state generators to submit registration and reporting information in a format prescribed by the Department of Natural Resources describing the types and quantities of hazardous waste received from the out-of-state generator. As long as the facility submits this information to the department, the out-of-state generator will not be required to do so. The facility is also responsible for paying all fees and taxes on behalf of the out-of-state generator.

The substitute revises the percent amounts on the two funds regarding moneys collected or received by the department. Forty percent will go to the Hazardous Waste Remedial Fund, and 60% will go to the Hazardous Waste Fund. This fee will expire June 30, 2006, except that the

DESCRIPTION (continued)

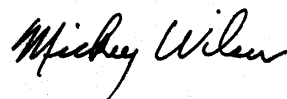
department will levy and collect this fee for any hazardous waste generated prior to the date and reported to the department.

The substitute 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 Revenue
Department of Transportation

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
March 12, 2004