

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4696-01
Bill No.: HB 1546
Subject: Environmental Protection; Natural Resources Dept.; Water Resources and Water Districts
Type: Original
Date: March 15, 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
Groundwater Protection Fund	(\$23,629)	(\$23,629)	(\$23,629)
Total Estimated Net Effect on <u>All</u> State Funds	(\$23,629)	(\$23,629)	(\$23,629)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 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 with the **Office of State Courts Administrator** and **State Treasurer's Office** assume no fiscal impact to their agencies.

Officials with the **Department of Natural Resources (DNR)** assume Section 256.614.1(3) of this proposal reduces the number of pump records the department's Geological Survey and Resource Assessment Division would receive from pump installers because it would require pump records only from "high-yield" installations. This would eliminate approximately 95% of all pump records from the reporting requirement. This requirement was put in place to assist the department in stopping illegal drillers and pump installers.

For purposes of this fiscal note, the department averaged data from the past 5 years to extrapolate the fiscal impact that would result from this proposal.

2978 pump forms are received. 254 of those are assessed a penalty fee. The estimated revenue loss would be \$10,144.

180 letters are sent to well drillers who did not submit a well certification record until after the pump record

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ASSUMPTION (continued)

was submitted (by a separate pump installer). We subsequently receive certification fees and penalty fees after the drillers were notified. Estimated certification fees that would be lost - \$6,293. Estimated penalty fees recovered that would be lost - \$7,192.

Total loss to the Groundwater Protection Fund as a result of this proposal is estimated to be \$23,629.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
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**GROUNDWATER PROTECTION
FUND**

<u>Cost - Loss of pump forms, penalty fees</u>	(\$10,144)	(\$10,144)	(\$10,144)
Loss of Certification Fees	(\$6,293)	(\$6,293)	(\$6,293)
Loss of penalty fees recovered	<u>(\$7,192)</u>	<u>(\$7,192)</u>	<u>(\$7,192)</u>

NET ESTIMATED LOSS

**GROUNDWATER PROTECTION
FUND**

<u>(\$23,629)</u>	<u>(\$23,629)</u>	<u>(\$23,629)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
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<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

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

DESCRIPTION

This bill defines "high-yield pump" as any water well pump system capable of producing in excess of 70 gallons of water per minute. The bill states that none of the four public members of the Well Installation Board can be employed by the state.

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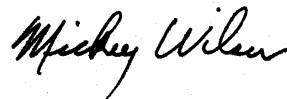
DESCRIPTION (continued)

The bill requires pump installation contractors to obtain a permit to conduct business and requires all violations be referred to the prosecuting attorney for the county where the alleged violator resides. Any person providing information to the Department of Natural Resources identifying violators will remain anonymous, and the information provided will remain confidential absent a proper subpoena compelling the production of this information. The bill requires personnel of the Division of Geology and Land Survey to restrict distribution of information to the public on permitted contractors or their work. The bill requires that any public water supplier that fails to submit required information be subject to a fine not to exceed \$1,000 for each violation, and the moneys be deposited in the Ground Water Protection Fund to be used for the sole purpose of field enforcement regarding abandoned wells. Any moneys remaining in the fund at the end of the biennium will not revert to the credit of the General Revenue Fund.

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 State Courts Administrator
Department of Natural Resources
State Treasurer's Office



Mickey Wilson, CPA
Director
March 15, 2004