

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0449-04
Bill No.: HCS for HB 387
Subject: Environmental Protection; Natural Resources Dept.; Water Resources and Water Districts
Type: Corrected
Date: March 29, 2005
#Correct fiscal years

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	#FY 2006	#FY 2007	#FY 2008
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	#FY 2006	#FY 2007	#FY 2008
Dry Cleaner Environmental Response Trust Fund	(\$87,600) to Unknown	(\$87,600) to Unknown	(\$87,600) to Unknown
Total Estimated Net Effect on <u>All</u> State Funds	(\$87,600) to Unknown	(\$87,600) to Unknown	(\$87,600) to Unknown

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	#FY 2006	#FY 2007	#FY 2008
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	#FY 2006	#FY 2007	#FY 2008
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials with the **State Treasurer's Office** assume no fiscal impact to their agency.

Officials with the **Department of Natural Resources** assume current law directs the department to administer the Drycleaner Program through August 28, 2007. The proposed legislation adds 260.965 RSMo extending the expiration date to August 28, 2012 resulting in an additional five years of overseeing the program with the associated operating costs. The costs associated with the proposed extension would result in a continuation of existing costs and could not result in a request for additional resources beyond the original anticipated need.

This proposed legislation would also extend the date for the Hazardous Waste Management Commission to promulgate and adopt rules from July 1, 2002 to July 1, 2007. This provision would not result in additional fiscal impact for the department.

This proposal would also extend the period from July 1, 2004 to July 1, 2009 in which persons may notify the department of abandoned drycleaner facilities. Persons contacting the department may be eligible for corrective action funds from the Drycleaner Environmental Response Trust Fund. The department is unable to determine how many more persons would notify the

ASSUMPTION (continued)

department and choose to apply for funding, therefore fiscal impact from this change is unknown but cannot exceed corrective action funds available.

This proposal removes the drycleaning environmental response registration surcharge on drycleaning facilities using non-chlorinated solvents and the solvent surcharge on suppliers of non-chlorinated solvents. The department estimates approximately 12% of current revenues are received from the users and suppliers of non-chlorinated solvents resulting in a decrease in revenues of approximately \$87,600 annually. The DNR projects expenditures will remain the same.

This proposal to extend the expiration date of the Drycleaner Program will generate about \$642,400 annually into the Drycleaner Environmental Response Trust Fund. The department assumes the revenue will be used to fund continued investigation, assessment and remediation for releases of solvents from drycleaning facilities.

This proposal contains an emergency clause stating that the proposal will become effective upon final passage and approval.

<u>FISCAL IMPACT - State Government</u>	#FY 2006 (10 mo.)	#FY 2007	#FY 2008
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**DRY CLEANING
ENVIRONMENTAL RESPONSE
TRUST FUND**

Cost - Department of Natural Resources

Elimination of surcharge on non-chlorinated solvents	<u>(\$87,600) to Unknown</u>	<u>(\$87,600) to Unknown</u>	<u>(\$87,600) to Unknown</u>
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**NET EFFECT ON DRY CLEANING
ENVIRONMENTAL RESPONSE
TRUST FUND**

<u>(\$87,600) to Unknown</u>	<u>(\$87,600) to Unknown</u>	<u>(\$87,600) to Unknown</u>
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<u>FISCAL IMPACT - Local Government</u>	#FY 2006	#FY 2007	#FY 2008
	\$0	\$0	\$0

FISCAL IMPACT - Small Business

Dry cleaning facilities will continue to operate under current statutes and pay applicable registration fees. Solvent suppliers will continue to pay a surcharge on the amount of solvents supplied to drycleaning facilities. However, the fees assessed on non-chlorinated solvents are eliminated in this proposal.

DESCRIPTION

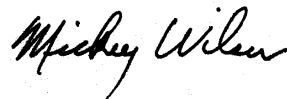
Currently, the Hazardous Waste Management Commission is authorized to promulgate and adopt initial and necessary rules and regulations regarding the dry cleaning industry effective no later than July 1, 2002. This bill extends that time limit until July 1, 2007. Corrective action is permitted at sites with abandoned dry cleaning facilities that have been taken out of operation prior to July 1, 2004, and not documented by or reported to the Department of Natural Resources by that date. The bill extends that date to July 1, 2009, and specifies that all provisions pertaining to the Dry Cleaning Environmental Response Trust will terminate on August 28, 2012.

The bill 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
State Treasurer's Office



Mickey Wilson, CPA
Director
March 29, 2005