

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1158-01
Bill No.: HB 281
Subject: Natural Resources Dept.; Water Resources and Water Districts
Type: Original
Date: January 21, 2005

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 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>Other</u> State Funds | \$0 | \$0 | \$0 |

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 **Department of Natural Resources** assume in order to maintain primacy, the Missouri requirements for public water systems must be no less stringent than the federal requirements. SDWA §1413(a)(1). The federal statute provides that each owner or operator of a public water system is required to provide certain notices to the persons served by the system, including, among other things, written notices of any failure of the system to comply with applicable maximum contaminant level of a national primary drinking water regulation. SDWA § 1414(c)(1)(A)(i). Also, consumer confidence reports are to be provided to customers of the water system. SDWA § 1414(c)(4)(A). The form of delivery of the written notice is proscribed by the federal statute in general. SDWA § 1414(c)(2)(A).

Alternate form and content of the report is allowed to be made by the State, but the provision does not allow the State to provide alternate notification methods. SDWA § 1414(c)(4)(E).

The wording of the proposed state law amendment broadly prohibits the Department of Natural Resources from requiring public water systems to issue certain reports by mail or direct delivery.

With the absence of authority by the Department, the enforcement of the federal notification requirements would fall upon the Environmental Protection Agency. The State's requirements would be less stringent than the federal requirements, and the State's primacy for the Safe

Drinking Water Program would be jeopardized.

ASSUMPTION (continued)

If primacy for this rule is lost, overall delegation from EPA to the state for the safe drinking water law would be jeopardized. Should delegation (primacy) be lost, EPA could withhold the state's federal grants, including the State Revolving Fund monies that provide financial assistance to public water supply systems to develop or improve their infrastructure to provide safe drinking water to Missouri's citizens. The department would also lose the basis for collecting primacy fees that provide the majority of the funding for the protection of public health through implementation and enforcement of the Federal Safe Drinking Water Act. Approximately \$16.5 million annually would be at risk.

| <u>FISCAL IMPACT - State Government</u> | FY 2006 (10 Mo.) | FY 2007 | FY 2008 |
|---|---------------------|---------|---------|
|---|---------------------|---------|---------|

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

| <u>FISCAL IMPACT - Local Government</u> | FY 2006 (10 Mo.) | FY 2007 | FY 2008 |
|---|---------------------|---------|---------|
|---|---------------------|---------|---------|

| | | | |
|--|------------|------------|------------|
| | <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

Currently, the law requires the public water system to report the results of all state-required tests on drinking water to the Department of Natural Resources. Also, it must report to each customer in accordance with the federal Safe Drinking Water Act. According to this act, the Department of Natural Resources shall not require that such reports be mailed or directly delivered to customers.

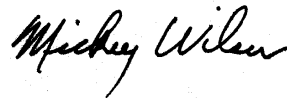
VL:LR:OD (12/02)

L.R. No. 1158-01
Bill No. HB 281
Page 4 of 4
January 21, 2005

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

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive style with a large, stylized 'M' and 'W'.

Mickey Wilson, CPA
Director
January 21, 2005