

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1543-01
Bill No.: HB 510
Subject: Environmental Protection; Natural Resources
Type: Original
Date: March 2, 2005

FISCAL SUMMARY

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

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Hazardous Waste Fund	\$396,466 to Unknown	(\$1,268,968) to Unknown	(\$1,268,968) to Unknown
Hazardous Waste Remedial Fund	(\$1,300,000)	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	(\$903,534) to Unknown	(\$1,268,968) to Unknown	(\$1,268,968) to Unknown

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 7 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** and **Department of Revenue** assume no impact to their agencies.

Officials with the **Department of Natural Resources** assume current law directs the department to collect fees deposited into the Hazardous Waste Fund until June 30, 2006. The proposed legislation extends this date to December 31, 2011 resulting in an additional five and one-half years of overseeing hazardous waste management efforts in Missouri with the associated operating costs.

The proposed legislation requires that the fund balance of the Hazardous Waste Remedial Fund be transferred to the Hazardous Waste Fund. The department assumes this transfer will take place on August 28, 2005. The department projects a balance of \$1.3 million remaining in the Hazardous Waste Remedial Fund to be transferred to the Hazardous Waste Fund.

All references to the Hazardous Waste Remedial Fund have been removed in this legislation and the appropriations previously required under the Hazardous Waste Remedial Fund will be authorized under the Hazardous Waste Fund.

ASSUMPTION (continued)

All fees paid from out state facilities are removed. Estimated net effect to the Hazardous Waste Fund is a reduction of \$1.9 million based on Fiscal Year 2004 revenues.

Section 260.380 adds a requirement for Missouri TSDFs to submit to the department a fee of \$2 per ton for all hazardous wastes received from outside the state and sets penalty amounts of 15% of the amount due for failure to pay fees under this section. This change will result in estimated revenue of \$458,958. This number is based on an estimated 229,000 tons of out-of-state waste coming to Missouri. The department is unable to estimate the number of facilities that may be subject to interest penalties for failure to pay, therefore this portion of the proposed legislation will result in an unknown fiscal impact.

The fee paid per ton for hazardous waste generated is currently \$1 per ton. This proposed legislation increases this fee to \$2 per ton, sets a maximum threshold for this fee at \$52,000 and a minimum threshold at \$150 resulting in net increase in revenue to \$518,403.

Section 260.391 RSMo adds language requiring the department to request appropriation from General Revenue in the amount equal to any state Superfund Match obligations with the U.S. Environmental Protection Agency. Because the department is unable to determine the amount of future obligations, the fiscal impact from this provision to General Revenue for Fiscal Year 2006 through 2008 is \$0 to unknown.

This proposal removes certain fees paid by hazardous waste generators in Section 260.479. The department estimates a net fiscal impact of (\$1,280,895) will be received in by the department.

Below is a summary of fiscal impact for Fiscal Years 2006 through 2008

Proposal	FY06	FY07	FY08
Out-of-State Generators	(\$1,900,000)	(\$1,900,000)	(\$1,900,000)
Fees on out of state hazardous waste received by in-state TSDFs	\$458,958	\$458,958	\$458,958
Category & registration renewal fees no longer collected	(\$1,280,895)	(\$1,280,895)	(\$1,280,895)
Increase in per ton generator from \$1 to \$2 per ton (maximum cap \$52,000 & minimum cap \$150)	\$518,403	\$518,403	\$518,403
Interest on Late Payments	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
Transfer Balance of HWRF to HWF**	\$0	\$0	\$0
Impact to General Revenue	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
Impact to All State Funds	(\$2,203,524) to Unknown	(\$2,079,694) to Unknown	(\$2,079,694) to Unknown

** Net effect on the transfer of estimated \$1.3 million from the Hazardous Waste Remedial Fund to the Hazardous Waste Fund is \$0

ASSUMPTION (continued)

Officials with the **Department of Transportation (MoDOT)** assume section 260.380.1(10) increases the hazardous waste tonnage fees from “not to exceed one dollar” to two dollars. It also changes the generator fee cap from \$10,000 to \$52,000 per site per year, but not less than \$150 per year. Currently, MoDOT has 17 routine hazardous waste generator sites, therefore the fiscal impact for section would be \$2,550 (\$150 minimum per generator site per year x 17 sites).

Oversight assumes funding for additional costs should be requested through the normal budgetary process. Therefore Oversight assumes the initial administrative impact of this proposal is \$0.

Officials with the **Department of Health and Senior Services (DHSS)** assume this proposal would eliminate the Hazardous Waste Remedial Fund (HWRF) but DHSS assumes that it would continue to receive funding from the Hazardous Waste Fund (HWF) to perform the work required by the statute. It is assumed that the new HWF revenue would replace the current HWRF funding for DHSS with no change to the current level of funding requested.

Thus, the same staff that is currently performing the work would continue to do so. Routine costs for expense and equipment, plus laboratory costs for water sample analysis would remain at the current amount.

FISCAL IMPACT - State Government

FY 2006
(10 Mo.)

FY 2007

FY 2008

GENERAL REVENUE

Income - Department of Natural
Resources

Request on Superfund Obligations

\$0 to Unknown

\$0 to Unknown

\$0 to Unknown

**ESTIMATED NET EFFECT ON
GENERAL REVENUE FUND**

\$0 to Unknown

\$0 to Unknown

\$0 to Unknown

HAZARDOUS WASTE FUND

Transfer In - Department of Natural Resources

Hazardous Waste Remedial Fund	\$1,300,000	\$0	\$0
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Cost - Department of Natural Resources

Hazardous Waste Fund	(\$903,534) to Unknown	(\$1,268,968) to Unknown	(\$1,268,968) to Unknown
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ESTIMATED NET EFFECT ON HAZARDOUS WASTE FUND	<u>\$396,466 to Unknown</u>	<u>(\$1,268,968) to Unknown</u>	<u>(\$1,268,968) to Unknown</u>
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HAZARDOUS WASTE REMEDIAL FUND

Transfer Out - Department of Natural Resources

Hazardous Waste Remedial Fund	<u>(\$1,300,000) to Unknown</u>	<u>\$0</u>	<u>\$0</u>
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ESTIMATED NET EFFECT ON HAZARDOUS WASTE REMEDIAL FUND	<u>(\$1,300,000) to Unknown</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
	\$0	\$0	\$0

FISCAL IMPACT - Small Business

Currently, Missouri treatment, storage, and disposal facilities (TSDFs) have the option of registering, reporting, and paying applicable fees on behalf of out-of-state generators. The

FISCAL IMPACT - Small Business (continued)

proposed legislation removes the registration and reporting requirements for out-of-state generators and directs Missouri TSDFs to pay a fee of \$2.00 per ton on all hazardous waste received from outside the state and increases the maximum annual amount paid to \$52,000.

Currently, Missouri hazardous waste generators pay up to \$1.00 per ton of hazardous waste generated to the department. This proposal increases this fee to \$2.00 per ton or portion thereof, increases the maximum amount generators could pay from \$10,000 to \$52,000 per year with a maximum amount of \$150.00 paid by all generators. This proposal also allows for a penalty of 15% for failure to pay the fees as required in section 260.380 RSMo.

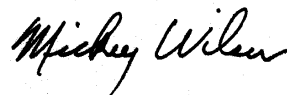
DESCRIPTION

This bill eliminates the requirements that generators located outside the state must register with the Department of Natural Resources. The bill requires that Missouri treatment, storage, and disposal facilities pay a fee equal to \$2 per ton or a portion thereof, not to exceed \$52,000 but not less than \$150 per site per year, for all hazardous waste received from outside the state. Additionally, payment for any other expenditures which are not covered under the federal Comprehensive Environmental Response, Compensation and Liability Act of 1980 will be received by the Hazardous Waste Fund. Currently, 40% of all moneys collected by the department pursuant to hazardous waste regulation is deposited into the Hazardous Waste Remedial Fund and 60% deposited into the Hazardous Waste Fund. The bill allows for all moneys collected to be deposited into the Hazardous Waste Fund and eliminates the Hazardous Waste Remedial 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

Department of Health and Senior Services
Department of Natural Resources
Department of Transportation
State Treasurer's Office
Department of Revenue



Mickey Wilson, CPA
Director

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