

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2308-01  
Bill No.: HB 1169  
Subject: Water Resources and Water Districts; Environmental Protection; Natural Resources Department  
Type: Original  
Date: April 11, 2017

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Bill Summary: This proposal allows certain wastewater treatment facilities to be exempt from anti-degradation review requirements.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 4 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials at the **Department of Natural Resources (DNR)** assume this proposal would have a negative fiscal impact on their organization by decreasing the Protection Fund each year in the amount of \$2,500 and provided the following information:

Based on a qualitative review of historic projects, it is estimated that DNR annually reviews about five Anti-degradation submittals for projects that have design flows of less than 22,500 gallons per day. Most of these small projects involve development associated with small businesses. Without the ability to receive an operating permit, these businesses would not be able to construct and operate.

The fee associated with each Anti-degradation review for small projects is \$500. Assuming that five projects are eliminated annually, revenue in the Natural Resources Protection 0568 fund would be decreased by \$2,500 per year. DNR notes the number of small wastewater projects in the future may be different than in previous years and is dependent upon future economic development trends.

**Oversight** will assume DNR can absorb the current estimated fiscal impact with existing resources.

Officials at the **Department of Health and Senior Services** assume this proposal would not have a fiscal impact on their organization.

Officials at the **Metropolitan St. Louis Sewer District** assume this proposal would not have a fiscal impact on their organization.

<u>FISCAL IMPACT - State Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

### FISCAL IMPACT - Small Business

A direct fiscal impact to small businesses would be expected as a result of this proposal because most of the anti-degradation projects are associated with small businesses. If small businesses are unable to obtain a permit, they would not be able to construct and operate these projects. Also, based on the proposal the \$500 fee to review anti-degradation projects would be paid through the Natural Resources Protection Fund and not by small businesses.

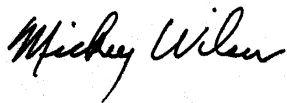
### FISCAL DESCRIPTION

This bill exempts all wastewater treatment facilities with a design flow of 22,500 gallons per day or less from anti-degradation review requirements.

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 Health and Senior Services  
Metropolitan St. Louis Sewer District



Mickey Wilson, CPA  
Director  
April 11, 2017

Ross Strobe  
Assistant Director  
April 11, 2017