

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1163H.02P
Bill No.: Perfected HCS for HB 631
Subject: Boards, Commissions, Committees, and Councils; Mining and Oil and Gas
Production; Department of Natural Resources
Type: Original
Date: March 28, 2023

Bill Summary: This proposal modifies provisions relating to the Department of Natural Resources.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND				
FUND AFFECTED	FY 2024	FY 2025	FY 2026	Fully Implemented (FY 2031)
General Revenue*	\$0	\$148,194	\$177,833	\$177,833
Total Estimated Net Effect on General Revenue	\$0	\$148,194	\$177,833	\$177,833

*Oversight notes this fee revenue is currently set to expire prior to August 28, 2024 (FY 2025). This proposal (HA 2) extends the sunset until August 28, 2030. This reflects a continuance of the existing fees authorized in Sections 444.768 & 444.772.

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS				
FUND AFFECTED	FY 2024	FY 2025	FY 2026	Fully Implemented (FY 2031)
Geologic Resources Fund (0801)	\$0	\$0	\$94,499	\$188,998
Oil and Gas Wells Fund (0543)	\$0	\$0	\$42,376	\$50,851
Hazardous Waste Fund (0676)	\$410,713	\$2,637,746	\$3,001,010	\$3,001,010
Solid Waste Management Fund – Scrap Tire Subaccount (0569)	\$0	\$0	\$1,256,718	\$2,513,435
Environmental Radiation Monitoring Fund (0656)	\$0	\$116,111	\$139,333	\$139,333
Mined Land Reclamation Fund (0906)	\$0	\$621,523	\$745,828	\$745,828
Safe Drinking Water Fund (0679)	\$0	\$4,635,702	\$5,562,842	\$5,562,842
Natural Resources Protection Fund – Air Pollution Permit Fee Subaccount (0594)	\$0	\$5,469,282	\$6,563,138	\$6,563,138
Natural Resources Protection Fund – Water Pollution Permit Fee Subaccount (0568)	\$0	\$4,827,794	\$5,793,353	\$5,793,353
Total Estimated Net Effect on <u>Other</u> State Funds	\$410,713	\$18,308,158	\$23,199,097	\$24,558,778

*Oversight notes this fee revenue is currently set to expire prior to January 1, 2026 (FY 2026). This proposal (HA 2) extends the sunset for six years (for each fee respectively). This reflects a continuance of the existing fees authorized in Sections 256.700, 259.080, 260.262, 260.273, 260.380, 260.392, 260.475, 444.768, 444.772, 640.100, 643.079 & 644.057.

ESTIMATED NET EFFECT ON FEDERAL FUNDS				
FUND AFFECTED	FY 2024	FY 2025	FY 2026	Fully Implemented (FY 2034)
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)				
FUND AFFECTED	FY 2024	FY 2025	FY 2026	Fully Implemented (FY 2034)
Total Estimated Net Effect on FTE	0	0	0	0

- Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS				
FUND AFFECTED	FY 2024	FY 2025	FY 2026	Fully Implemented (FY 2034)
Local Government	\$0	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Section 256.710 – Industrial Minerals Advisory Council

Officials from the **Department of Natural Resources** and the **Missouri Department of Transportation** each assume section 256.710 of the proposal will have no fiscal impact on their respective organizations.

Oversight notes that the above mentioned agencies have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Oversight notes the Industrial Minerals Advisory Council is still composed of nine members with this proposal. Therefore, Oversight will reflect a zero impact on the fiscal note for section 256.710.

Department of Natural Resources Fees (HA 2)

Officials from the **Department of Natural Resources (DNR)** assume the proposal will have no fiscal impact on their organization.

DNR notes the following amounts have been collected for the various fees:

§256.700 – Geologic Resources Fund (0801) (in response to SB 109 (2023))

FY 2020	\$200,585
FY 2021	\$180,593
FY 2022	\$185,816

Oversight notes there was a \$232,585 balance in the Geologic Resources Fund as of January 31, 2023. Oversight will reflect revenue in the amount of \$188,998 (average of past three fiscal years) continuing due to the fee extension from 2025 to 2031 on the fiscal note.

§259.080 – Oil and Gas Well Resources Fund (0543)

FY 2020	\$57,548
FY 2021	\$46,155
FY 2022	\$48,851

Oversight notes there was a \$324,596 balance in the Fund as of January 31, 2023. Oversight will reflect revenue in the amount of \$50,851 (average of past three fiscal years) continuing due to the fee extension from 2025 to 2031 on the fiscal note.

§260.262 – Lead-Acid Battery Fee (Hazardous Waste Fund 0676)

FY 2020	\$757,417
FY 2021	\$842,281
FY 2022	\$864,578

Oversight notes there was an \$11,131,094 balance in the Fund as of January 31, 2023. Oversight will reflect revenue in the amount of \$821,425 (average of past three fiscal years) continuing due to the fee extension from 2023 to 2029 on the fiscal note.

§260.273 – Scrap Tire Fee (Solid Waste Management – Scrap Tire Fund Subaccount Fund 0569)

FY 2020	\$2,481,163
FY 2021	\$2,015,512
FY 2022	\$3,043,631

Oversight notes there was a \$7,121,634 balance in the Fund as of January 31, 2023. Oversight will reflect revenue in the amount of \$2,513,435 (average of past three fiscal years) continuing due to the fee extension from 2025 to 2031 on the fiscal note.

§260.380 – Hazardous Waste Generator Fee (Hazardous Waste Fund 0676)

FY 2020	\$1,900,159
FY 2021	\$1,920,783
FY 2022	\$1,816,939

Oversight notes there was an \$11,131,094 balance in the Fund as of January 31, 2023. Oversight will reflect revenue in the amount of \$1,879,294 (average of past three fiscal years) continuing due to the fee extension from 2024 to 2030 on the fiscal note.

§260.392 – Environmental Radiation Monitoring Transport Fee (Environmental Radiation Monitoring Fund (0656)

FY 2020	\$134,000
FY 2021	\$102,725
FY 2022	\$181,275

Oversight notes there was an \$181,046 balance in the Fund as of January 31, 2023. Oversight will reflect revenue in the amount of \$139,333 (average of past three fiscal years) continuing due to the fee extension from 2024 to 2030 on the fiscal note.

§260.475 – Hazardous Waste Land Disposal Fee (Hazardous Waste Fund 0676)

FY 2020	\$305,370
FY 2021	\$335,681
FY 2022	\$259,822

Oversight notes there was an \$11,131,094 balance in the Fund as of January 31, 2023. Oversight will reflect revenue in the amount of \$300,291 (average of past three fiscal years) continuing due to the fee extension from 2024 to 2030 on the fiscal note.

§§444.768 & 444.772 – Surface Mining -Land Reclamation Act (Mined Land Reclamation Fund 0906)

FY 2020	\$773,335 (Mined Land Reclamation Fund)	\$145,500 (General Revenue)
FY 2021	\$704,629 (Mined Land Reclamation Fund)	\$194,000 (General Revenue)
FY 2022	\$759,521 (Mined Land Reclamation Fund)	\$194,000 (General Revenue)

Oversight notes there was a \$1,615,826 balance in the Fund as of January 31, 2023. Oversight will reflect revenue in the amount of \$745,828 for the Mined Land Reclamation Fund and \$177,833 for the General Revenue Fund (average of past three fiscal years) continuing due to the fee extension from 2024 to 2030 on the fiscal note.

§640.100 – Safe Drinking Water Fund (0679)

FY 2020	\$5,295,605
FY 2021	\$5,455,159
FY 2022	\$5,937,761

Oversight notes there was an \$8,925,790 balance in the Fund as of January 31, 2023. Oversight will reflect revenue in the amount of \$5,562,842 (average of past three fiscal years) continuing due to the fee extension from 2024 to 2030 on the fiscal note.

§643.079 – Clean Air Fees – Emissions and Permit Fees (Natural Resources Protection Fund – Air Pollution Permit Fee Subaccount (0594)

FY 2020	\$6,268,040
FY 2021	\$6,339,541
FY 2022	\$7,081,832

Oversight notes there was a \$3,356,322 balance in the Fund as of January 31, 2023. Oversight will reflect revenue in the amount of \$6,563,138 (average of past three fiscal years) continuing due to the fee extension from 2024 to 2030 on the fiscal note.

§644.057 – Clean Water Fee (Natural Resources Protection Fund – Water Pollution Permit Fee Subaccount 0568)

FY 2020 \$5,490,416
 FY 2021 \$5,574,843
 FY 2022 \$6,314,800 (higher due to land disturbance being due every five years)

Oversight notes there was a \$26,039,664 balance in the Fund as of January 31, 2023. Oversight will reflect revenue in the amount of \$5,793,353 (average of past three fiscal years) continuing due to the fee extension from 2024 to 2030 on the fiscal note.

Exemptions from Clean Water Law Permitting Requirements (HA 3)

Officials from the **Department of Natural Resources** assume the proposal will have no fiscal impact on their organization.

Oversight notes that the above mentioned agency has stated the proposal would not have a direct fiscal impact on the organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note.

<u>FISCAL IMPACT – State Government</u>	FY 2024	FY 2025	FY 2026	Fully Implemented (FY 2031)
GENERAL REVENUE FUND				
<u>Revenue Extension – extension of fee from 2024 to 2030 §§444.768 & 444.772 p. 6 (HA 2)</u>	\$0	\$148,194	\$177,833	\$177,833
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	\$0	\$148,194	\$177,833	\$177,833

<u>FISCAL IMPACT – State Government (continued)</u>	FY 2024	FY 2025	FY 2026	Fully Implemented (FY 2031)
GEOLOGIC RESOURCES FUND (0801)				
<u>Revenue Extension – extension of fee from 2025 to 2031 §256.700 p. 4 (HA 2)</u>	\$0	\$0	\$94,499	\$188,998
ESTIMATED NET EFFECT ON THE GEOLOGIC RESOURCES FUND (0801)	\$0	\$0	\$94,499	\$188,998
OIL AND GAS WELLS RESOURCE FUND (0543)				
<u>Revenue Extension – extension of fee from 2025 to 2031 §259.080 p. 4 (HA 2)</u>	\$0	\$0	\$42,376	\$50,851
ESTIMATED NET EFFECT ON THE OIL AND GAS WELLS RESOURCE FUND (0543)	\$0	\$0	\$42,376	\$50,851

<u>FISCAL IMPACT – State Government</u> (continued)	FY 2024	FY 2025	FY 2026	Fully Implemented (FY 2031)
HAZARDOUS WASTE FUND (0676)				
<u>Revenue Extension</u> – extension of fee from 2023 to 2029 §260.262 p. 5 (HA 2)	\$410,713	\$821,425	\$821,425	\$821,425
<u>Revenue Extension</u> – extension of fee from 2024 to 2030 §260.380 p. 5 (HA 2)	\$0	\$1,566,078	\$1,879,294	\$1,879,294
<u>Revenue Extension</u> – extension of fee from 2024 to 2030 §260.475 p. 6 (HA 2)	\$0	\$250,243	\$300,291	\$300,291
ESTIMATED NET EFFECT ON THE HAZARDOUS WASTE FUND (0676)	\$410,713	\$2,637,746	\$3,001,010	\$3,001,010
SOLID WASTE MANAGEMENT – SCRAP TIRE SUBACCOUNT (0569)				
<u>Revenue Extension</u> – extension of fee from 2025 to 2031 §260.273 p. 5 (HA 2)	\$0	\$0	\$1,256,718	\$2,513,435
ESTIMATED NET EFFECT ON THE SOLID WASTE MANAGEMENT – SCRAP TIRE SUBACCOUNT (0569)	\$0	\$0	\$1,256,718	\$2,513,435

<u>FISCAL IMPACT – State Government (continued)</u>	FY 2024	FY 2025	FY 2026	Fully Implemented (FY 2031)
ENVIRONMENTAL RADIATION MONITORING FUND (0656)				
<u>Revenue Extension – extension of fee from 2024 to 2030 §260.392 p. 5 (HA 2)</u>	<u>\$0</u>	<u>\$116,111</u>	<u>\$139,333</u>	<u>\$139,333</u>
ESTIMATED NET EFFECTON THE ENVIRONMENTAL RADIATION MONITORING FUND (0656)	<u>\$0</u>	<u>\$116,111</u>	<u>\$139,333</u>	<u>\$139,333</u>
MINED LAND RECLAMATION FUND (0906)				
<u>Revenue Extension – extension of fee from 2024 to 2030 §§444,768 & 444.772 p. 6 (HA 2)</u>	<u>\$0</u>	<u>\$621,523</u>	<u>\$745,828</u>	<u>\$745,828</u>
ESTIMATED NET EFFECTON THE MINED LAND RECLAMATION FUND (0906)	<u>\$0</u>	<u>\$621,523</u>	<u>\$745,828</u>	<u>\$745,828</u>

<u>FISCAL IMPACT – State Government (continued)</u>	FY 2024	FY 2025	FY 2026	Fully Implemented (FY 2034)
SAFE DRINKING WATER FUND (0679)				
<u>Revenue Extension – extension of fee from 2024 to 2030 §640.100 p. 6 (HA 2)</u>	\$0	\$4,635,702	\$5,562,842	\$5,562,842
ESTIMATED NET EFFECT ON THE SAFE DRINKING WATER FUND (0679)	\$0	\$4,635,702	\$5,562,842	\$5,562,842
NATURAL RESOURCES PROTECTION FUND – AIR POLLUTION PERMIT FEE SUBACCOUTN (0594)				
<u>Revenue Extension – extension of fee from 2024 to 2030 §643.079 p. 6 (HA 2)</u>	\$0	\$5,469,282	\$6,563,138	\$6,563,138
ESTIMATED NET EFFECT ON THE NATURAL RESOURCES PROTECTION FUND – AIR POLLUTION PERMIT FEE SUBACCOUNT (0594)	\$0	\$5,469,282	\$6,563,138	\$6,563,138

<u>FISCAL IMPACT – State Government</u> (continued)	FY 2024	FY 2025	FY 2026	Fully Implemented (FY 2034)
NATURAL RESOURCES PROTECTION FUND – WATER POLLUTION PERMIT FEE SUBACCOUNT (0568)				
<u>Revenue Extension</u> – extension of fee from 2024 to 2030 §644.057 p. 7 (HA 2)	<u>\$0</u>	<u>\$4,827,794</u>	<u>\$5,793,353</u>	<u>\$5,793,353</u>
ESTIMATED NET EFFECT ON THE NATURAL RESOURCES PROTECTION FUND – WATER POLLUTION PERMIT FEE SUBACCOUNT (0568)	<u>\$0</u>	<u>\$4,827,794</u>	<u>\$5,793,353</u>	<u>\$5,793,353</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026	Fully Implemented (FY 2034)
		<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

Small businesses that are required to pay the fees mentioned above could be impacted as a result of this proposal.

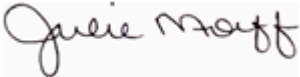
FISCAL DESCRIPTION

This proposal extends fees for programs within the Department of Natural Resources.


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
Missouri Department of Transportation



Julie Morff
Director
March 28, 2023



Ross Strobe
Assistant Director
March 28, 2023