

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1647H.01P  
Bill No.: Perfected HB 627  
Subject: Department of Natural Resources; Department of Conservation; National Guard  
Type: Original  
Date: April 24, 2025

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Bill Summary: This proposal modifies the Department of Natural Resources permit application process.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
General Revenue*	Could Exceed (\$303,863)	Could Exceed (\$322,459)	Could Exceed (\$327,961)
<b>Total Estimated Net Effect on General Revenue</b>	<b>Could Exceed (\$303,863)</b>	<b>Could Exceed (\$322,459)</b>	<b>Could Exceed (\$327,961)</b>

\*Oversight notes the Department of Natural Resources requires 3 FTE to administer the new program. The new Soil Erosion Control Fund is subject to appropriation. (\$640.900)

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Soil Erosion Control Fund*	Unknown	Unknown	Unknown
Chemical Emergency Preparedness**	\$834,508	\$1,001,410	\$1,001,410
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>Could Exceed \$834,508</b>	<b>Could Exceed \$1,001,410</b>	<b>Could Exceed \$1,001,410</b>

\*Oversight notes the Department of Natural Resources is authorized to collect interest on loans, not to exceed the federal funds rate or two percent (2.0%), whichever is greater. Any interest earned on the fund would have an unknown positive impact on total state revenues. (\$640.900)

\*\*Oversight notes the impact is from the collection of fees authorized to be distributed to the Chemical Emergency Preparedness Fund (\$292.606)

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
General Revenue	3 FTE	3 FTE	3 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>3 FTE</b>	<b>3 FTE</b>	<b>3 FTE</b>

☒ 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 2026	FY 2027	FY 2028
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## **FISCAL ANALYSIS**

### **ASSUMPTION**

#### **§260.003 – Department of Natural Resources Permitting Process**

Officials from the **Department of Natural Resources** assumed 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 their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note.

#### **House Amendment 1**

**Oversight** assumes this amendment will not have any additional impact on the underlying bill. Therefore, Oversight will reflect zero impact in the fiscal note.

#### **House Amendment 2**

#### **§292.606 – Fees paid to the Missouri Emergency Response Commission**

Officials from the **Department of Public Safety (DPS) – State Emergency Management Agency (SEMA)** stated that currently, authorization for the collection of fees for hazardous chemicals in the workplace, which funds the Missouri Emergency Response Commission (MERC), was not reauthorized under HB 1870 (2024) and was allowed to expire on August 28, 2024. HB 1870 (2024) would have extended the authorization for six years to August 28, 2030.

The mission of the MERC is to protect public health and the environment by assisting communities with chemical incident prevention, preparedness, response, and recovery; and by receiving, processing, and reporting on chemical information under the community right-to-know laws. The program has been in existence since the late 1980s and has provided training and assistance to local communities to be compliant with the federal EPCRA laws.

Current law allows for the collection of data and fees. In fiscal year 2023, the amount collected was approximately \$1,001,410 with \$598,495 of this fund being redistributed to the locals, \$92,076 distributed to the Missouri Division of Fire Safety for hazardous materials training and the remaining \$230,190 was retained by the MERC to operate the program and to provide a match for federal funds that allow additional hazardous materials planning and training for local first responders. The chemical storage facility owners and gas station owners must pay an annual fee based on the type and amount of chemicals they store at their facility.

Section 292.606 would allow a one-time fee to be calculated based on the normal filing due on March 1, 2025, and will be paid by November 1, 2025.

In response to similar legislation, HCS for HB 70, **SEMA** stated that since HB 1870 was not reauthorized, the Local Emergency Planning Committees and/or Districts will lose approximately \$650,000 in eligible funds. In many communities, these were the only funds available to remain compliant with federal law and most preparedness activities will no longer continue. Approximately \$80,000 in training money to the Missouri Division of Fire Safety will also be lost, and the match for the \$400,000 dollars for the Missouri Department of Transportation grant will not be met. Without this grant, approximately 1,000 first responders will not receive any hazmat preparedness or response training.

**Oversight** has no information to the contrary. Therefore, Oversight will present the fiscal impact of this proposal as revenue coming into the Chemical Emergency Preparedness Fund of \$834,508 in FY 2026 and \$1,001,410 in FY 2027 and subsequent years.

**Oversight** notes the Chemical Emergency Preparedness Fund (0587) had a fund balance of \$594,462 on March 31, 2025.

In response to similar legislation, HB 70 (2025), officials from the **Department of Economic Development**, the **Department of Health and Senior Services**, the **Department of Natural Resources**, the **Department of Public Safety (DPS)**, **Divisions of: Fire Safety** and the **Director's Office**, the **Phelps County Sheriff**, the **St. Louis County Police Department** and the **Fruitland Area Fire Protection District** each assumed the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

### House Amendment 3

#### §263.070 – Invasive Plants

In response to similar legislation, SS for SCS for SB 105 (2025), officials from the **Missouri Department of Agriculture** assumed 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 their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note.

### House Amendment 4

#### §77.150 – Water Projects Constructed by Certain Cities

In response to similar legislation, HB 1534 (2025), officials from the **Department of Natural Resources**, **Kansas City**, **Osceola**, **Wayne County PWSD #2** and **Osceola Water/Wastewater District** each assumed the proposal will have no fiscal impact on their respective organizations.

**Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

**Oversight** assumes this proposal repeals the prohibition on the use of indebtedness or taxes for the construction and operation of such projects. Oversight assumes this language is permissive and therefore will not reflect a fiscal impact.

**Oversight** received a limited number of responses from local political subdivisions related to the fiscal impact of this proposal. Oversight has presented this fiscal note on the best current information available.

#### House Amendment 1 to House Amendment 4

#### Section 640.900 – Soil Erosion Control Fund

Officials from the **Department of Natural Resources (DNR)** state the legislation is creating a new revolving loan fund to assist homeowner's associations with Erosion Control. This will be a new program that will need to be created and managed.

There will be costs involved in the team member time of setting up and implementing a new program and all processes and documents necessary to run the funding program. It's estimated 3 FTE will be needed to administer the new funding program.

One (1) Associate Engineer at \$67,656

One (1) Environmental Program Analyst at \$57,768

One (1) Accountant at \$57,768

The legislation also creates a new revolving loan fund with an interest rate and as loan and interest costs are repaid, revenues will be increased.

The program does not currently have the existing budget authority to absorb the cost and number of the additional FTE, nor the existing budget/appropriation authority for the proposed revolving loan fund.

**Oversight** does not have any information to the contrary. Therefore, Oversight will show the impact as estimated by the DNR to General Revenue in the fiscal note.

In response to similar legislation, HCS for HB 1461 (2025), officials from the **Office of Administration - Budget and Planning** stated that section 640.900 creates the Soil Erosion Control Fund, which would consist of any funds appropriated from the general assembly, any gifts, grants, or requests from federal or private sources, and loan repayments from eligible homeowners' associations. After an initial cash infusion into the fund from an appropriation by

the general assembly or from gifts, grants, or bequests, the fund would be used as a revolving loan program to support erosion reduction projects in neighborhoods and communities that would qualify. The Department of Natural Resources is authorized to collect interest on grants loans, not to exceed the federal funds rate or two percent (2%), whichever is greater. Any funds from federal or private sources and any earned interest on the fund would positively impact total state revenues.

**Oversight** notes the proposal states “the interest amount on loans granted under this section shall not exceed the federal funds rate or two percent, whichever is greater;”

In response to similar legislation, HCS for HB 1461 (2025), officials from the **Office of Attorney General (AGO)** assumed any potential litigation costs arising from this proposal can be absorbed with existing resources. However, the AGO may seek additional appropriations if the proposal results in a significant increase in litigation or investigation.

**Oversight** does not have any information to the contrary. Therefore, Oversight assumes the AGO will be able to perform any additional duties required by this proposal with current staff and resources and will reflect no fiscal impact to the AGO for fiscal note purposes.

In response to similar legislation, HCS for HB 1461 (2025), officials from the **Missouri Department of Agriculture**, the **Office of the State Treasurer**, and the **Office of Administration** each assumed the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

In response to similar legislation, HCS for HB 1461 (2025), officials from the **Missouri Department of Conservation** assumed the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

In response to similar legislation, HCS for HB 1461 (2025), officials from the **City of Kansas City**, the **Metropolitan St. Louis Sewer District - 7B Sewer**, and the **Wayne County PWSB #2** each assumed the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

#### Bill as a Whole

Officials from the **Department of Commerce and Insurance**, the **Department of Public Safety - Office of the Director**, and the **Office of the Governor** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Officials from the **Branson Police Department**, the **Kansas City Police Department**, the **South River Drainage District - 7D Levee**, and the **St. Charles County PWSD #2 - 7A Water** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

**Oversight** only reflects the responses received from state agencies and political subdivisions; however, other local agencies were requested to respond to this proposed legislation but did not. A listing of political subdivisions included in the Missouri Legislative Information System (MOLIS) database is available upon request.

#### Rule Promulgation

Officials from the **Joint Committee on Administrative Rules** assume this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

In response to similar legislation, HCS for HB 1461 (2025), officials from the **Office of the Secretary of State (SOS)** noted many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with its core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
<b>GENERAL REVENUE FUND</b>			
<u>Cost – DNR - §640.900</u>			
Personal Service	(\$152,660)	(\$186,856)	(\$190,593)
Fringe Benefits	(\$100,666)	(\$122,268)	(\$123,766)
Equipment and Expense	(\$50,537)	(\$13,335)	(\$13,602)
<u>Total Cost – DNR</u>	<u>(\$303,863)</u>	<u>(\$322,459)</u>	<u>(\$327,961)</u>
FTE Change – DNR	3 FTE	3 FTE	3 FTE
<u>Transfer Out – Appropriation to the Soil Erosion Control Fund</u>	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<b>ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND</b>	<b>Could Exceed <u>(\$303,863)</u></b>	<b>Could Exceed <u>(\$322,459)</u></b>	<b>Could Exceed <u>(\$327,961)</u></b>
Estimated Net FTE Change to the General Revenue Fund	3 FTE	3 FTE	3 FTE
<b>SOIL EROSION CONTROL FUND</b>			
<u>Transfer In – From General Revenue §640.900.5</u>	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Revenue Gain – From gifts, grants, &amp; bequests from federal or private source §640.900.1</u>	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Revenue Gain – repayment of loan moneys from eligible homeowners' associations §640.900.1</u>	Unknown	Unknown	Unknown
<u>Revenue Gain – Interest paid on loans granted to qualified homeowners' associations (not to exceed Fed Funds Rate or 2.0%, whichever is greater) §640.900.5(1)</u>	Unknown	Unknown	Unknown



<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
<u>Cost – Distribution of loans to qualified homeowners’ associations for erosion protection of natural waterways §640.900.2</u>	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<b>ESTIMATED NET EFFECT TO THE SOIL EROSION CONTROL FUND</b>	<b><u>Unknown</u></b>	<b><u>Unknown</u></b>	<b><u>Unknown</u></b>
<b>CHEMICAL EMERGENCY PREPAREDNESS FUND (0587)</b>			
<u>Income – SEMA (§292.606) – renewal of annual fees pp. 3-4</u>	<u>\$834,508</u>	<u>\$1,001,410</u>	<u>\$1,001,410</u>
<b>ESTIMATED NET EFFECT ON THE CHEMICAL EMERGENCY PREPAREDNESS FUND</b>	<b><u>\$834,508</u></b>	<b><u>\$1,001,410</u></b>	<b><u>\$1,001,410</u></b>

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

#### FISCAL IMPACT – Small Business

Small businesses applying for a permit with the Department of Natural Resources could be impacted as a result of this proposal (§260.003).

Small nurseries and nursery dealers could be impacted as a result of this proposal (§263.070).

#### FISCAL DESCRIPTION

##### §77.150 – Water Projects Constructed by Certain Cities

Currently, third class cities are authorized to acquire any real and personal property for the purpose of the construction of dams, lake and flood protection systems, bathhouses, therapeutic

bathhouses, mineral water vending houses, and for the laying of pipelines for the distribution of mineral waters, provided that the properties are acquired, constructed, and maintained and operated without increasing the indebtedness of the city and are not paid for, maintained, or operated by taxes. This bill repeals the prohibition on the use of indebtedness or taxes for the construction and operation of such projects.

#### §260.003 – Department of Natural Resources Permitting Process

This section requires that before the Department of Natural Resources issues or renews any permit, license, or grant of authority, the local jurisdiction must verify that the person and activity, to which any preliminary or final application was first received by the Department, is in compliance with all applicable local rules and ordinances.

The Department may not deny any preliminary or final application under this provision based on a local code, ordinance, or order if the local code, ordinance, or order was enacted following the filing of the application.

#### §263.070 – Invasive Plants

This section states that all plant nurseries shall comply with certain affidavit requirements relating to plant pest infestation. The affidavit shall state that the nursery dealer shall not knowingly and intentionally sell or distribute any viable plant portions or seeds of certain plants described in the act.

#### §292.606 – Fees paid to the Missouri Emergency Response Commission

This section repeals the August 28, 2024, expiration date of the authority for collection of certain fees by the Missouri Emergency Response Commission.

#### Section 640.900 – Soil Erosion Control Fund

This section creates the "Soil Erosion Control Fund", which is to be used to better equip neighborhoods and communities to reduce sedimentation and erosion of creeks, streams, and waterways and to protect ecological integrity and environmental services provided by natural drainage channels that run in close proximity to residential areas. The bill specifies the types of projects that are eligible for the program.

To be eligible for a loan under this section, a homeowners' association must be incorporated as a nonprofit organization under Missouri law. The Department of Natural Resources must promulgate rules and regulations to govern the distribution of moneys from the fund. The distribution must also meet the following conditions:

(1) The interest amount on loans may not exceed the federal funds rate or two percent, whichever is greater;

- (2) The loan amount may not exceed 80% of the total cost of a project in a single fiscal year; and
- (3) A homeowners' association must pass an assessment to the homeowners before qualifying for a loan as specified in the bill.

The Department must establish an application form for homeowners' associations to apply for loans that must, at a minimum, require homeowners' associations to certify their compliance with the requirements specified in the bill and provide any other information the Department deems necessary for its decision to award funds.

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

Attorney General's Office  
Department of Commerce and Insurance  
Office of Administration - Budget and Planning  
Department of Natural Resources  
Department of Economic Development  
Department of Health and Senior Services  
Department of Public Safety  
    Fire Safety  
    Office of the Director  
    Office of the Governor  
Missouri Department of Agriculture  
Missouri Department of Conservation  
Office of Administration  
Office of the Secretary of State  
Joint Committee on Administrative Rules  
Office of the State Treasurer  
City of Kansas City  
Metropolitan St. Louis Sewer District - 7B Sewer  
South River Drainage District - 7D Levee  
St. Charles County PWSD #2 - 7A Water  
Wayne County PWSD #2  
Phelps County Sheriff  
Kansas City Police Department  
St. Louis County Police Department  
Fruitland Area Fire Protection District

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Branson Police Department  
South River Drainage District - 7D Levee  
St. Charles County PWSD #2 - 7A Water



Julie Morff  
Director  
April 24, 2025



Jessica Harris  
Assistant Director  
April 24, 2025