

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4344H.02P
 Bill No.: Perfected HCS for HB 2153
 Subject: Department of Natural Resources; Water Resources and Water Districts; General Assembly; Governor and Lt. Governor; Attorney General; Civil Penalties
 Type: Original
 Date: April 11, 2024

Bill Summary: This proposal creates provisions relating to water exportation outside the state.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Water Pollution Permit Fee Subaccount Fund	(\$98,934)	(\$115,011)	(\$117,311)
Total Estimated Net Effect on <u>Other</u> State Funds	(\$98,934)	(\$115,011)	(\$117,311)

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Water Pollution Permit Fee Subaccount Fund	1 FTE	1 FTE	1 FTE
Total Estimated Net Effect on FTE	1 FTE	1 FTE	1 FTE

- 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 2025	FY 2026	FY 2027
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Natural Resources (DNR)** assume the following regarding this proposal:

With permits being routed for issuance via the Clean Water Commission process, the public notice and issuance of the permit will increase workload for department team members. Additionally, Water Protection Program team members will have a strong coordination effort with the department's Water Resource Center regarding the development of applicable forms, tracking (expected to be Missouri Clean Water Information System (MoCWIS)), water quantity and quality studies (water quality for the potential impact to narrative conditions), impingement and infringement studies, fee development, regulation development, coordination with CWA 401 and 404 entities, and close coordination with the state hydrologist.

Due to the amount of high-level complex/technical coordination needed, the department will need one (1) FTE, an Environmental Program Specialist to process applications for permit issuance, coordinate with Water Resource Center team for water quantity studies and applicability, coordinate with Watershed Protection Section on water quality impacts (narrative conditions), coordinate 316(b) type studies regarding impingement and infringement, fee development, permit development and maintenance, rule author as needed, coordinate with Clean Water Act 401 Water Quality Certification team member and US Corp of Engineers on federal permits over waters of the US, close coordination with state hydrologist on ensuring that the permit to export is not causing negative quantity impacts, and tracking development coordination with the Data Management unit.

Cost assumption:

One (1) Environmental Program Specialist at \$67,656*

The Department will not be able to absorb the costs related to this proposed legislation with the current level of budget authority and funding sources.

Oversight does not have information to the contrary and therefore, Oversight will reflect the estimates as provided by DNR.

Officials from the **Missouri Department of Agriculture, Missouri House of Representatives** and **Missouri Senate** 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.

In response to a previous version, officials from the **Missouri Department of Conservation and Office of the Governor** each assumed the proposal would 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 **Pulaski County Sewer District #1, South River Drainage District and Metropolitan St. Louis Sewer District** 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.

In response to a previous version, officials from the **St. Charles County Public Water Supply District #2 and Wayne County Public Water Supply District #2** each assumed the proposal would 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 a previous version, officials from the **Morgan County Public Water Supply District #2 and Osceola Water/Wastewater** assumed there would be a fiscal impact but did not indicate what that impact will be.

Officials from the **City of O'Fallon** assume 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.

Officials from the **City of Kansas City** assume the legislation has no fiscal impact as long as the city is not required to build any infrastructure to export water. The city recommends that any infrastructure costs to export water should be the responsibility of the permit holder. The city also has an emergency inter-connect agreement with BPU and Water One in Kansas where the city can supply them with water, and vice versa, in times of extreme shortage. The city is still concerned that the bill would require the Kansas entities to apply for a permit to export water from the city in cases of emergency.

Oversight is unable to determine any direct fiscal impact to these agencies. Oversight notes the proposal does not indicate a cost for the applicant to request a permit; therefore, Oversight will not reflect a fiscal impact.

Oversight only reflects the responses received from state agencies and political subdivisions; however, other water supply districts and local political subdivisions 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.

<u>FISCAL IMPACT – State Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
WATER POLLUTION PERMIT FEE SUBACCOUNT FUND (0568)			
<u>Costs - DNR</u>			
Personnel Service	(\$56,380)	(\$69,009)	(\$70,389)
Fringe Benefits	(\$33,952)	(\$41,557)	(\$42,388)
Expense & Equipment	(\$8,602)	(\$4,445)	(\$4,534)
<u>Total Costs - DNR</u>	<u>(\$98,934)</u>	<u>(\$115,011)</u>	<u>(\$117,311)</u>
FTE Change	1 FTE	1 FTE	1 FTE
ESTIMATED NET EFFECT ON THE WATER POLLUTION PERMIT FEE SUBACCOUNT FUND (0568)	<u>(\$98,934)</u>	<u>(\$115,011)</u>	<u>(\$117,311)</u>
Estimated Net FTE Change on the Water Pollution Permit Fee Subaccount Fund	1 FTE	1 FTE	1 FTE

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
	<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.

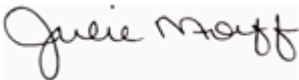
FISCAL DESCRIPTION

This proposal creates provisions relating to water exportation outside the state.

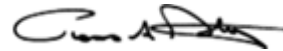
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Natural Resources
Missouri Department of Agriculture
Missouri Department of Conservation
Office of the Governor
Missouri House of Representatives
Missouri Senate
City of Kansas City
City of Springfield
Metropolitan St. Louis Sewer District
South River Drainage District
St. Charles County Public Water Supply District #2
Wayne County Public Water Supply District #2
Osceola Water/Wastewater
Morgan County Public Water Supply District #2
Pulaski County Sewer District #1
City of O'Fallon



Julie Morff
Director
April 11, 2024



Ross Strobe
Assistant Director
April 11, 2024