

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4344S.03C  
 Bill No.: SCS for HCS for HB 2153  
 Subject: Department of Natural Resources; Lakes, Rivers and Waterways; Governor and Lt. Governor  
 Type: Original  
 Date: May 7, 2024

Bill Summary: This proposal creates provisions relating to water exportation across state boundaries.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
General Revenue	(\$143,742)	(\$170,105)	(\$173,507)
<b>Total Estimated Net Effect on General Revenue</b>	<b>(\$143,742)</b>	<b>(\$170,105)</b>	<b>(\$173,507)</b>

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

Numbers within parentheses: () indicate costs or losses.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>
<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>			
<b>FUND AFFECTED</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>
General Revenue	2 FTE	2 FTE	2 FTE
Water Pollution Permit Fee Subaccount Fund	1 FTE	1 FTE	1 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.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## 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.

In addition, DNR notes for Section 640.406, it is estimated that 2 FTE funded with General Revenue would be needed to support the establishment of the permitting for water exportation program, including rulemaking, permitting, compliance, enforcement, administration and oversight. This estimate is based on department knowledge of permitting program administration.

Anticipated duties of the Environmental Program Analysts include: developing and reviewing administrative rules; improving permit processing efficiency, timely issuance of permits, and maintaining the accuracy and quality of permit related data in state and federal systems used to track permitting actions, generate reports, and monitor state and federal performance metrics and goals; coordinate and participate in public meetings, including present information to and gather feedback from stakeholders, permittees, and the general public on matters relating to water exportation permits and applicable state regulations; coordinate with internal units, sections, programs, and regional offices of the Department as well as external private, state, and federal agencies.

Rulemaking has the potential to result in additional economic impacts that are unknown at this time.

**Oversight** does not have information to the contrary and therefore, Oversight will reflect the estimates for 3 FTE as provided by DNR.

Officials from the **Missouri Department of Agriculture** and **Missouri Department of Conservation** 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 **Wayne County Public Water Supply District #2**, **St. Charles County PWS#2**, the **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 **Pulaski County Sewer District #1** and **St. Charles 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.

Officials from the **Morgan County Public Water Supply District #2** assume there will be a fiscal impact but did not indicate what that impact will be.

In response to a previous version, officials from the **Osceola Water/Wastewater** assumed there would be a fiscal impact but did not indicate what that impact will be.

**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.

Officials from the **City of O’Fallon** and **City of Kansas City** 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.

**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.

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.

Officials from the **Office of the Secretary of State (SOS)** note 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 2025 (10 Mo.)	FY 2026	FY 2027
<b>GENERAL REVENUE FUND</b>			
<u>Costs - DNR</u>			
Personnel Service	(\$84,473)	(\$103,395)	(\$105,463)
Fringe Benefits	(\$50,870)	(\$62,265)	(\$63,510)
Expense & Equipment	(\$8,399)	(\$4,445)	(\$4,534)
<u>Total Costs - DNR</u>	<u>(\$143,742)</u>	<u>(\$170,105)</u>	<u>(\$173,507)</u>
FTE Change	2 FTE	2 FTE	2 FTE
<b>ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND</b>	<b><u>(\$143,742)</u></b>	<b><u>(\$170,105)</u></b>	<b><u>(\$173,507)</u></b>
Estimated Net FTE Change on the General Revenue Fund	2 FTE	2 FTE	2 FTE

<u>FISCAL IMPACT – State Government</u> (continued)	FY 2025 (10 Mo.)	FY 2026	FY 2027
<b>WATER POLLUTION PERMIT FEE SUBACCOUNT FUND (0568)</b>			
<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
<b>ESTIMATED NET EFFECT ON THE WATER POLLUTION PERMIT FEE SUBACCOUNT FUND (0568)</b>	<b><u>(\$98,934)</u></b>	<b><u>(\$115,011)</u></b>	<b><u>(\$117,311)</u></b>
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
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT – Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

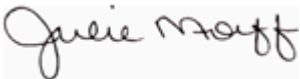
FISCAL DESCRIPTION

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

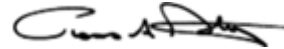
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Natural Resources  
Missouri Department of Agriculture  
Missouri Department of Conservation  
City of Kansas City  
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  
May 7, 2024



Ross Strobe  
Assistant Director  
May 7, 2024