

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3899H.011
Bill No.: HB 2476
Subject: Department of Natural Resources; Health, Public; Animals
Type: Original
Date: March 29, 2022

Bill Summary: This proposal modifies provisions relating to concentrated animal feeding operations.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
General Revenue	(\$226,323)	(\$276,132)	(\$280,767)
Total Estimated Net Effect on General Revenue	(\$226,323)	(\$276,132)	(\$280,767)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
General Revenue	3 FTE	3 FTE	3 FTE
Total Estimated Net Effect on FTE	3 FTE	3 FTE	3 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 2023	FY 2024	FY 2025
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

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

Section 192.300(2) and 192.300(2)(b)

The proposed language will require the Department to review and determine, for each of the 89 third class Missouri counties, whether to preempt county ordinances pertaining to the protection of public health, environment, water quality, and the rights of land-owners related to the maintenance of agricultural operations for permitted concentrated animal feeding operations (CAFOs). The proposed language also indicates this is to be conducted on applications for operation of a CAFO.

On average, the Department processes 127 CAFO application actions each year. This is significantly higher during years when permit renewal applications are received. There are currently 405 permitted CAFOs in third class Missouri counties. With an average of 127 applications processed per year, this means review and consideration of county ordinances will, on average, be conducted 127 times per year in accordance with the proposed language. The impact of this additional review is an estimate, as the extent and number of county ordinances that exist for public health, environment, and water quality in the third class counties subject to this proposal are not known. Therefore, the Department estimates an additional 40 hours would be needed for each individual application to research, review, and verify county ordinances and conduct site-visits to determine their applicability. The 40 hours is an estimate based on if all information is received (i.e., no follow-up or correspondence with the applicant), a permit writer can review and process an application permit within four (4) to (8) hours if nothing has changed for the facility. Since this proposed rule requires the review and consideration of county ordinances based on the factors in §192.300(2)(a) and §192.300(2)(b), an additional week (i.e., 40 hours) would be needed for each complete application.

40 hours x 127 applications = 5,080 hours extra to comply with the proposed language. The Department currently has one full time employee (FTE) processing CAFO applications. This potential workload increase results in the need for additional FTEs to complete the county ordinance reviews. To account for the additional influx of applications and reviews during permit renewal years, the Department has calculated that an additional 3 FTEs will be needed to allow the state to remain current with CAFO applications in normal and renewal years.

During permit renewal years, 405 permitted CAFOs in Missouri's third class counties would submit their applications. Utilizing the 40 hours of additional review and consideration time needed for the implementation of this proposal would result in 16,200 hours. This will significantly impact the processing speed of application process and permit issuance. The additional 3 FTEs estimated above will enable the Department to minimize backlogs and improve efficiency during permit renewal years.

Cost assumption

Three (3) Environmental Program Analysts at \$54,744* annual salary equals \$164,232 (associated fringe and indirect costs are not included). 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, therefore, the Department is reflecting a need for General Revenue funds.

The Department will also need to request floor space for these 3 FTE. With the additional FTE requested for the American Rescue Plan Act (ARPA) and Bipartisan Infrastructure Law (BIL) funding, the Department is at maximum capacity in the current area.

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

Oversight only reflects the responses received from state agencies and political subdivisions; however, other third class counties 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 2023 (10 Mo.)	FY 2024	FY 2025
GENERAL REVENUE			
<u>Costs – DNR</u>			
Personnel Service	(\$136,860)	(\$167,517)	(\$170,867)
Fringe Benefits	(\$82,868)	(\$100,543)	(\$101,666)
Expense & Equipment	(\$6,595)	(\$8,072)	(\$8,234)
<u>Total Costs -</u>	<u>(\$226,323)</u>	<u>(\$276,132)</u>	<u>(\$280,767)</u>
FTE Change	3 FTE	3 FTE	3 FTE
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$226,323)</u>	<u>(\$276,132)</u>	<u>(\$280,767)</u>
Estimated Net FTE Change on General Revenue	3 FTE	3 FTE	3 FTE

<u>FISCAL IMPACT – Local Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025
	<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.

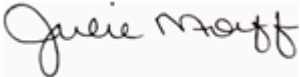
FISCAL DESCRIPTION

Currently, county commissions and county health center boards may not promulgate orders, ordinances, rules or regulations that impose certain requirements or standards on an agricultural operation. This bill specifies that if the Department of Natural Resources receives a permit application to operate a concentrated animal feeding operation (CAFO) in a third class county that has adopted an order, ordinance, rule or regulation for permitted CAFOs, the ban on imposing certain requirements or standards on an agricultural operation only apply to the extent the Director of the Department determines is necessary to protect public health, environment, and certain rights of landowners.


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

SOURCES OF INFORMATION

Department of Natural Resources



Julie Morff
Director
March 29, 2022



Ross Strobe
Assistant Director
March 29, 2022