

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2305-01
Bill No.: HB 1168
Subject: Environmental Protection; Fees
Type: Original
Date: April 4, 2017

Bill Summary: This proposal extends the termination date of the fee imposed on sales of lead-acid batteries.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND				
FUND AFFECTED	FY 2018	FY 2019	FY 2020	New Termination Date December 31, 2023
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS				
FUND AFFECTED	FY 2018	FY 2019	FY 2020	New Termination Date December 31, 2023
Hazardous Waste Management Fund	\$0	\$340,870	\$681,739	\$340,870
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$340,870	\$681,739	\$340,870

Numbers within parentheses: () indicate costs or losses. This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS				
FUND AFFECTED	FY 2018	FY 2019	FY 2020	New Termination Date December 31, 2023
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 2018	FY 2019	FY 2020	New Termination Date December 31, 2023
Total Estimated Net Effect on FTE	0	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS				
FUND AFFECTED	FY 2018	FY 2019	FY 2020	New Termination Date December 31, 2023
Local Government	\$0	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Natural Resources (DNR)** assume this proposal would have a positive fiscal impact on their organization.

Hazardous Waste Management

DNR states Section 260.262(5) of this proposal will extend the \$0.50 fee on the sale of lead-acid batteries for five years from December 31, 2018 through December 31, 2023. Less collection costs by the retailer and the Department of Revenue, the department estimates approximately \$681,739 will be collected for the lead-acid battery fee annually as revenue to the Hazardous Waste Fund.

The estimate of \$681,739 is based on a total of 1,510,946 batteries subject to the \$0.50 cent fee.

Oversight will show a positive fiscal impact in FY19 of \$340,870 based on the proposal extends the fee beginning December 31, 2018. Oversight will show a positive fiscal impact in FY20 in the amount of \$681,739. Oversight will show a positive fiscal impact of \$340,870 based on the new termination date of December 31, 2023 because it cannot be assumed this fee will be extended beyond this date.

Officials from the **Office of the Secretary of State (SOS)** state 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 \$2,500. 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 the 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.

Officials at the **Joint Committee on Administrative Rules**, the **Department of Transportation**, and the **Department of Revenue** each assume this proposal will not have a fiscal impact on their respective organizations.

Officials at the **University of Central Missouri** and **Northwest Missouri State University** each assume this proposal will not have a fiscal impact on their respective organizations.

<u>FISCAL IMPACT -</u>	FY 2018			New Termination Date
<u>State Government</u>	(10 Mo.)	FY 2019	FY 2020	December 31, 2023

**HAZARDOUS
 WASTE FUND**

<u>Revenue - DNR</u>				
lead-acid battery fee	<u>\$0</u>	<u>\$340,870</u>	<u>\$681,739</u>	<u>\$340,870</u>

**ESTIMATED NET
 EFFECT ON THE
 HAZARDOUS
 WASTE FUND**

	<u>\$0</u>	<u>\$340,870</u>	<u>\$681,739</u>	<u>\$340,870</u>
--	------------	------------------	------------------	------------------

<u>FISCAL IMPACT -</u>	FY 2018			New Termination Date
<u>Local Government</u>	(10 Mo.)	FY 2019	FY 2020	December 31, 2023

	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
--	------------	------------	------------	------------

FISCAL IMPACT - Small Business

Retail facilities that sell lead-acid batteries will continue to collect the fee as allowed under this legislation and transfer the fees and remittance reports to the Department of Revenue. They will continue to retain 6% of the fees for collection costs.

Small businesses that purchase lead-acid batteries will continue to be subject to the \$.50 fee on each battery purchased.

FISCAL DESCRIPTION

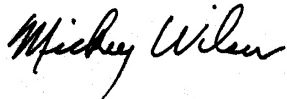
This bill extends from December 31, 2018, to December 31, 2023, the \$.50 fee that is collected on the retail sale of a lead-acid battery as well as the fees for any hazardous waste generated.

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

L.R. No. 2305-01
Bill No. HB 1168
Page 5 of 5
April 4, 2017

SOURCES OF INFORMATION

Department of Natural Resources
Office of Secretary of State
Joint Committee on Administrative Rules
Department of Transportation
Department of Revenue
University of Central Missouri
Northwest Missouri State University



Mickey Wilson, CPA
Director
April 4, 2017

Ross Strobe
Assistant Director
April 4, 2017