

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0539H.011
 Bill No.: HB 525
 Subject: Water Resources and Water Districts; Environmental Protection; Natural Resources, Department of; Lakes, Rivers and Waterways
 Type: Original
 Date: February 25, 2021

Bill Summary: This proposal requires the Department of Natural Resources to conduct a use attainability analysis on waters of the state before limiting ammonia discharges from point sources.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
General Revenue	(\$12,861,650)	(\$12,861,650)	(\$12,861,650)
Total Estimated Net Effect on General Revenue	(\$12,861,650)	(\$12,861,650)	(\$12,861,650)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
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 2022	FY 2023	FY 2024
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on FTE	0	0	0

- 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 2022	FY 2023	FY 2024
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

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

§644.058.2(1)

No fiscal impact.

§644.058.2(2)

No fiscal impact. The Department has no plans to designate additional waters with presumed uses. The volume of future presumed use requests is unknown.

§644.058.2(3)

\$38,584,950 to conduct 10,869 use attainability analysis' (UAA) on 54,345 miles of stream north of the Missouri River (54,345 stream miles divided by 5 stream miles/UAA times \$3,550/per UAA).

§644.058.2(4)

\$1,977,350 minimum to conduct 557 UAAs (557 UAAs times \$3,550/UAA) which would need to be approved by the EPA prior to use. Documented aquatic life on most of these streams and downstream waters would result in no change in regulatory status for these permits.

Total cost to implement §644.058(3) and (4), contracted out spread across three fiscal years = **\$38,584,950 (\$12,851,050 per year)**. (Note: §644.058(4) costs are a subset of (3) costs).

The Department is unable to fund the provisions of this legislation and would be required to request additional appropriations from General Revenue.

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

<u>FISCAL IMPACT – State Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
GENERAL REVENUE FUND			
<u>Cost – DNR – to conduct UAA’s</u>	<u>(\$12,861,650)</u>	<u>(\$12,861,650)</u>	<u>(\$12,861,650)</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(\$12,861,650)</u>	<u>(\$12,861,650)</u>	<u>(\$12,861,650)</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
	<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

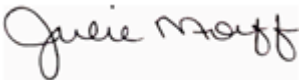
This bill states that before the Department of Natural Resources designates a presumptive use on any waters north of the Missouri River and the use establishes limitations on ammonia discharged for any point source, the Department must conduct a use attainability analysis on the water to justify the Department's adoption of the use.

If there is a use in effect on any of the waters, the Department must conduct a use attainability analysis on the water to justify the Department's adoption of the use. No application for a permit or a renewal to discharge water contaminants by a point source can require limitation on ammonia until the Department has conducted a use attainability analysis on the water to justify the adoption of the use requiring the ammonia limits.

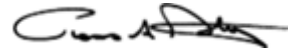
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Natural Resources



Julie Morff
Director
February 25, 2021



Ross Strobe
Assistant Director
February 25, 2021