

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1036H.02I
Bill No.: HB 622
Subject: Natural Resources, Department Of; Water Resources And Water Districts; Boards,
Commissions, Committees, And Councils; Environmental Protection
Type: Original
Date: January 25, 2023

Bill Summary: This proposal establishes exemptions from Clean Water law permitting requirements.

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|--|----------------|----------------|----------------|
| FUND AFFECTED | FY 2024 | FY 2025 | FY 2026 |
| | | | |
| | | | |
| Total Estimated Net Effect on General Revenue | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | | | |
|---|------------------------------------|------------------------------------|------------------------------------|
| FUND AFFECTED | FY 2024 | FY 2025 | FY 2026 |
| Natural Resources Protection Fund (0568) | From (\$11,000 to \$33,000) | From (\$11,000 to \$33,000) | From (\$11,000 to \$33,000) |
| | | | |
| Total Estimated Net Effect on <u>Other</u> State Funds | From (\$11,000 to \$33,000) | From (\$11,000 to \$33,000) | From (\$11,000 to \$33,000) |

Numbers within parentheses: () indicate costs or losses.

| ESTIMATED NET EFFECT ON FEDERAL FUNDS | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2024 | FY 2025 | FY 2026 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE) | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2024 | FY 2025 | FY 2026 |
| | | | |
| | | | |
| 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 2024 | FY 2025 | FY 2026 |
| | | | |
| Local Government | \$0 | \$0 | \$0 |

FISCAL ANALYSIS

ASSUMPTION

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

§644.051.5

Exemption of construction permitting by the Missouri Clean Water Commission will reduce revenues in the form of construction permit fees used to review construction permit applications, designs, and specifications to ensure the proposed wastewater treatment facility is in compliance with state design and construction regulations. Construction Permit application fees depend on the design flow of the facility and ranges from \$1,000 (< 500,000 gallons per day) to \$3,000 (≥ 500,000 gallons per day) per application. The Department receives, on average, approximately 11 earthen basin construction permit applications per year for a range of reduced revenue of \$11,000 - \$33,000 per year. Below are the fee categories and data from the last five years of applications.

| Year | Number of Permits | Amount Collected (\$1,000 fee) | Amount Collected (\$3,000 fee) |
|-------------|--------------------------|---|---|
| 2018 | 11 | \$11,000 | \$33,000 |
| 2019 | 9 | \$9,000 | \$27,000 |
| 2020 | 14 | \$14,000 | \$42,000 |
| 2021 | 16 | \$16,000 | \$48,000 |
| 2022 | 7 | \$7,000 | \$21,000 |

§644.051.5(1) & (2)

Industrial wastewater treatment systems must be designed and constructed under the supervision of a professional engineer to ensure public health, safety, and the environment are not impacted or compromised.

Should a wastewater treatment system fail and require Department inspection and intervention, the following cost to the Department may incur per facility:

Approximately 12 hours to conduct an environmental investigation, report drafting, and preparation for referral to enforcement; approximately 8 hours for enforcement team review of referral documents and drafting case summary and Administrative Order on Consent; obtain Department approval.

The Department anticipates being able to absorb these costs (estimated less than \$10,000). However, until the fiscal year 2024 budget is final the Department cannot identify specific funding sources. Potential fiscal impact reduction of \$11,000 - \$33,000 of annual construction permit 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 2024 (10 Mo.) | FY 2025 | FY 2026 |
|--|--|--|--|
| NATURAL RESOURCES PROTECTION FUND (0568) | | | |
| | | | |
| <u>Loss – DNR – reduced construction permit revenue</u> | From (\$11,000 to \$33,000) | From (\$11,000 to \$33,000) | From (\$11,000 to \$33,000) |
| | | | |
| ESTIMATED NET EFFECT ON THE NATURAL RESOURCES PROTECTION FUND | From (\$11,000 to \$33,000) | From (\$11,000 to \$33,000) | From (\$11,000 to \$33,000) |

| <u>FISCAL IMPACT – Local Government</u> | FY 2024 (10 Mo.) | FY 2025 | FY 2026 |
|---|---------------------|------------|------------|
| | | | |
| | | | |
| | \$0 | \$0 | \$0 |

FISCAL IMPACT – Small Business

Small construction companies could be impacted as a result of this proposal.

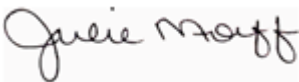
FISCAL DESCRIPTION

This proposal modifies provisions relating to water pollution.

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
January 25, 2023



Ross Strobe
Assistant Director
January 25, 2023