

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5486-01
Bill No.: SB 1236
Subject: Registration; Natural Resources
Type: Original
Date: March 13, 2006

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
General Revenue*	\$0	\$0	\$0
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

***The Department of Natural Resources assumes the council would establish fees in an amount to cover existing and new resources necessary to carry out the dam safety inspections. Therefore, for purposes of this fiscal note, the estimated net effect would be zero.**

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Parks & Soils Sales Tax	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on Other State Funds	(Unknown)	(Unknown)	(Unknown)

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Agriculture, Department of Health and Senior Services and Department of Public Safety** assume no fiscal impact to their agency.

Officials from the **Department of Natural Resources** assume the department would be responsible for creating application forms and issuing construction and operating permits to owners of high or significant hazard dams. The department would be responsible for carrying out a state program of inspection of dams and reservoirs in accordance with regulations adopted by the council. All high or significant hazard dams and reservoirs in the state, as defined in the proposed legislation, would be inspected on a periodic basis to determine if they constitute a threat to public safety, life or property.

The chief engineer would be responsible for maintaining a record of all dams registered by owners and would be required to make inspections and recommendations concerning the issuing, continuing in effect, revoking, modifying, suspending, or denying, under such conditions as prescribed by sections 236.400 to 236.500 and such rules as may be adopted to protect public safety, life, property, dams and reservoirs, construction permits for the construction, alteration,

ASSUMPTION (continued)

enlargement, reduction, repair or removal of high or significant hazard dams or appurtenances thereto and operating permits to insure continuing protection of public safety, life, property, dams and reservoirs, for all high or significant hazard dams subject to the provisions of sections 236.400 to 236.500.

The fees for permits required in section 236.415, RSMo, for the cost of renewal, design review, and inspection of high or significant hazard dams would be established by affirmative vote of the Dam and Reservoir Safety Council and shall be reviewed at least once every three years.

The department assumes the council would establish fees in an amount to cover existing and new resources necessary to carry out the dam safety inspections. There would be administrative costs associated with the additional resources. Should the additional resources needed for all new legislation increase the department's budgeted FTE by 20 or more, the department would request additional administrative resources.

Since this legislation does not establish a fund for the receipt of the fees established by the council, the department assumed the receipts would be deposited into the general revenue fund and payments for the resources used to carry out the legislation would also be from the general revenue fund. The department estimates it will require 12 FTE, \$716,350 personal services, including fringe, and \$272,627 expense and equipment, including \$181,405 one-time expenditures in addition to the existing 4.5 FTE to perform the dam inspections.

Existing lack of resources require the current director of the Water Resources Center to serve as both the chief engineer and the Water Resources Center director. The additional dams to be regulated through the proposed legislation would require a full-time chief engineer and support staff.

Number of dams inspected calculation:

The department determined there are 1,500 high hazard dams that would inspected every two years ($1,500 \text{ dams} / 2 \text{ years} = 750 \text{ dams/year}$). There are 1,300 significant hazard dams that would be inspected once every five years ($1,300 \text{ dams} / 5 \text{ years} = 260 \text{ dams/year}$). Therefore, the department will inspect approximately 1,010 dams per year (750 high hazard dams plus 260 significant hazard dams total 1,010 dams/year).

Number of FTE calculation for civil and dam safety engineers and geologist:

The department estimates that a two-man inspection crew can inspect 150 dams per year.

ASSUMPTION (continued)

Therefore seven crews will be required to inspect 1,010 dams per year (1,010 dams / 150 dams/crew = 7). The department currently has two dam inspection crews. Therefore, the department estimates an additional 10 FTE will be required to implement the inspection portion of the proposed legislation. Five crews, consisting of two civil engineers, which are registered professional engineers. A geologist III will be substituted for one civil engineer on one of the crews to provide geologic expertise in reviewing new dam sights (5 crews X 2 FTE/crew = 10 FTE).

The department assumes the council would establish fees in an amount to cover existing and new resources necessary to carry out the dam safety inspections. Therefore, for purposes of this fiscal note, the estimated net effect of this proposal would be zero.

The department Division of State Parks has an estimated 10 dams in the park system. Because the level at which the fees will be set is unknown, there would be unknown fiscal impact to the Parks and Soils Sales Tax from this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
GENERAL REVENUE*			
<u>Revenue</u> - Department of Natural Resources			
Fees set by Dam/Reservoir Safety Council*	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
<u>Costs</u> - Department of Natural Resources			
Salaries (12 FTE)	(\$497,258)	(\$611,628)	(\$626,918)
Fringe Benefits	(\$219,092)	(\$269,483)	(\$276,220)
Equipment & Expense	(\$276,627)	(\$112,750)	(\$116,134)
Total	(\$992,977)	(\$993,861)	(\$1,019,272)
ESTIMATED NET EFFECT ON GENERAL REVENUE*	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

PARKS & SOILS SALES TAX

<u>Cost</u> - Department of Natural Resources	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON PARKS & SOILS SALES TAX	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

***The Department of Natural Resources assumes the council would establish fees in an amount to cover existing and new resources necessary to carry out the dam safety inspections. Therefore, for purposes of this fiscal note, the estimated net effect would be zero.**

<u>FISCAL IMPACT - Local Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
	<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.

DESCRIPTION

The act modifies several definitions, including changing the definition of dam to include appurtenant works and dams six feet or more in height with a storage volume of at least fifty acre-feet of water, and dams twenty-five feet or more in height with a storage volume of at least fifteen acre-feet of water. The act defines "high hazard" to mean that if the dam were to fail, a loss of human life is probable, and "significant hazard" to mean that if the dam were to fail, no loss of human life is expected but significant economic loss is probable. The act defines "operating permit" to mean a permit issued to an owner of a high or significant hazard dam for a period of up to five years.

The act modifies the membership of the dam and reservoir safety council to include one member who is an owner of a high or significant hazard dam or reservoir. The act requires the council to establish fees for permits required for renewal, design review, and inspection of high and significant hazard dams and review these fees once every three years.

The act directs that all high and significant hazard dams be inspected periodically to determine if they constitute a threat to public safety. The act directs the chief engineer, the head of the dam and reservoir safety program at the Department of Natural Resources, to make recommendations concerning construction permits for high and significant hazard dams and operating permits for these structures.

All owners of high or significant hazard dams shall first apply for a construction permit prior to beginning work on any such structure. Any such application shall include the signature of an experienced engineer registered in Missouri.

The act removes the language exempting agricultural dams and those constructed for soil and water conservation, irrigation, or wildlife conservation, from the provisions of the act.

All owners of high or significant hazard dams shall notify the council upon completion of any construction related to high or significant hazard dams and shall subsequently, apply for an operating permit.

The act requires that every dam constructed after the effective date of this act that is not registered, shall do so within six months of the effective date and those owners of high and significant hazard dams shall apply for an operating permit no later than one year after the effective date of the act. Those owners licensed under the Federal Power Act shall apply for an operating permit no later than three months after the effective date of the act.

The act asserts that if downstream conditions change the hazard classification of any dam or reservoir, the owner shall notify the council of the change within three months of the event.

DESCRIPTION (continued)

The act directs that if a high or significant hazard dam is found to present a threat to public safety, the permits shall be suspended until such time the owner has completed all necessary alterations to ensure the protection of public safety.

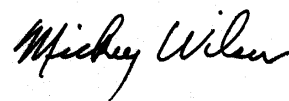
The act allows the transfer of any operating permit to a successive owner of a dam or reservoir along with the notification of the current hazard classification of the dam. Failure to notify the council of the transfer shall result in the prior owner retaining responsibility for the dam and being subject to the provisions of the act.

Violations of the provisions of the act are punishable as a misdemeanor and subject to fines up to ten thousand dollars or jail time of no more than one year.

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 Agriculture
Department of Natural Resources
Department of Health and Senior Services
Department of Public Safety



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Director
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