

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1407-05
Bill No.: HCS for SCS for SB 328
Subject: Energy; Natural Resources Dept.
Type: Original
Date: April 30, 2007

Bill Summary: Permits a bio reactor landfill pilot project in the City of Columbia

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
General Revenue	\$0	\$0	(\$2,625,000)
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	(\$2,625,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Solid Waste Management Fund	\$0	\$20,678	\$20,678
Total Estimated Net Effect on Other State Funds	\$0	\$20,678	\$20,678

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on FTE	0	0	0

- Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).
- Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Health** assume no fiscal impact to their agency.

Officials from the **Department of Natural Resources** assume this proposal would affect the amount of solid waste tonnage fees the state collects. Landfills pay the state a tonnage fee (RSMo 260.330) for the amount of waste disposed in their landfill. The state would receive \$2.11 per ton from the organic-based materials traditionally removed from the waste stream as recycling and disposed in a bio reactor landfill.

According to the **City of Columbia**, they collect approximately 10,000 tons of yard waste annually. If this tonnage was disposed of in a bio reactor landfill, then the department could receive approximately \$20,678 (10,000 x \$2.11 less 2% handling charge) in additional tonnage fees annually beginning in fiscal year 2009.

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Officials from the **Department of Conservation** and **Department of Revenue** assume no fiscal impact to their agencies.

Officials from the **Department of Agriculture (MDA)** assume one plant with a 15 million gallon annual capacity will receive ethanol producer incentives in FY 2010.

12.5 MG * \$0.20 per gallon = \$2,500,000

2.5 MG * \$0.05 per gallon = \$ 125,000

Total Cost = \$2,625,000

Sections 260.211, 260.212, 260.240, 260.247, 260.249, 260.330, 260.335, 260.360 & 260.800

Officials from the **Office of State Courts Administrator, Department of Agriculture, Department of Health and Senior Services, Missouri National Guard, Attorney General's Office** and **Department of Public Safety** assume no fiscal impact to their agencies.

Officials from the **State Public Defender** assume for the purpose of this proposal, and as a result of excessive caseloads, the Office of State Public Defender cannot assume existing staff will provide competent, effective representation for any new cases arising where indigent persons are faced with the enhanced penalties for illegal dumping of farm waste. The Missouri State Public Defender System is currently operating in a crisis mode with caseloads far in excess of any recognized standard.

ASSUMPTION (continued)

Passage of bills increasing penalties on existing crimes, or creating new crimes, requires the State Public Defender System to further overextend already overextended resources. While the number of cases with increased penalties may be too few or uncertain to request additional funding for this specific bill, the Office of State Public Defender will continue to request sufficient appropriations to provide competent and effective representation in all its cases.

Officials from the **Department of Natural Resources** assume the following:

Biodiesel Incentive Payments

The department would not anticipate a direct fiscal impact from this proposal.

Changes to Solid Waste Law

The department would not anticipate a direct fiscal impact as a result of this proposal.

Plasma Arc Technology

The proposed legislation would encourage the use of plasma-arc torch technology in the management of solid waste as an alternative to disposal in landfills. The department assumes existing staff would perform the education of local governments and the public about the benefits of using plasma-arc torch technology.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
GENERAL REVENUE			
<u>Cost</u> - Department of Agriculture			
Monthly Incentive Payment	<u>\$0</u>	<u>\$0</u>	<u>(\$2,625,000)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>\$0</u>	<u>\$0</u>	<u>(\$2,625,000)</u>
 SOLID WASTE MANAGEMENT FUND			
<u>Revenue</u> - Tonnage Fees	<u>\$0</u>	<u>\$20,678</u>	<u>\$20,678</u>
ESTIMATED NET EFFECT ON SOLID WASTE MANAGEMENT FUND	<u>\$0</u>	<u>\$20,678</u>	<u>\$20,678</u>
 <u>FISCAL IMPACT - Local Government</u>			
	FY 2008 (10 Mo.)	FY 2009	FY 2010
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Businesses that use wood waste to make a product such as compost or mulch could be impacted if they rely on yard waste as feedstock.

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Yes. It will stimulate economic growth in rural Missouri.

FISCAL IMPACT - Small Business (continued)

Sections 260.211, 260.212, 260.240, 260.247, 260.249, 260.330, 260.335, 260.360 & 260.800

Biodiesel Incentive Payments

The proposal could provide larger grants to Missouri qualified biodiesel producers based on the proposed amendments to the grant formula.

FISCAL DESCRIPTION

The proposed legislation appears to have no fiscal impact.

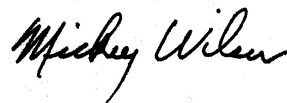
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The proposed legislation allows fuel ethanol produced from qualified biomass to be eligible for certain fuel ethanol production subsidies. This proposal limits annual funding to a maximum of \$10,000,000.

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
Department of Health and Senior Services
Department of Conservation
Department of Revenue
Department of Agriculture
Office of State Courts Administrator
Missouri National Guard
Attorney General's Office
Department of Public Safety
State Public Defender



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Mickey Wilson, CPA
Director
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