

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0782-04  
Bill No.: SCS for SB 142  
Subject: Energy; Federal-State Relations; Natural Resources Department; Utilities  
Type: Original  
Date: February 23, 2015

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Bill Summary: This proposal requires the Department of Natural Resources to prepare an implementation impact report when submitting certain plans or regulations to the Environmental Protection Agency.

**FISCAL SUMMARY**

| <b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>  |                    |                    |                    |
|--|--------------------|--------------------|--------------------|
| FUND AFFECTED  | FY 2016            | FY 2017            | FY 2018            |
| General Revenue                                      | (\$782,822)        | (\$855,297)        | (\$864,762)        |
| <b>Total Estimated Net Effect on General Revenue</b> | <b>(\$782,822)</b> | <b>(\$855,297)</b> | <b>(\$864,762)</b> |

| <b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>              |            |            |            |
|---|------------|------------|------------|
| FUND AFFECTED   | FY 2016    | FY 2017    | FY 2018    |
|   |            |            |            |
|   |            |            |            |
| <b>Total Estimated Net Effect on <u>Other</u> State Funds</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> |

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 6 pages.

| <b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>                  |                |                |                |
|---|----------------|----------------|----------------|
| <b>FUND AFFECTED</b>  | <b>FY 2016</b> | <b>FY 2017</b> | <b>FY 2018</b> |
|   |                |                |                |
|   |                |                |                |
| <b>Total Estimated Net Effect on <u>All</u> Federal Funds</b> | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>     |

| <b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b> |                |                |                |
|---|----------------|----------------|----------------|
| <b>FUND AFFECTED</b>                                      | <b>FY 2016</b> | <b>FY 2017</b> | <b>FY 2018</b> |
| General Revenue   | 10 FTE         | 10 FTE         | 10 FTE         |
|   |                |                |                |
| <b>Total Estimated Net Effect on FTE</b>                  | <b>10 FTE</b>  | <b>10 FTE</b>  | <b>10 FTE</b>  |

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

| <b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b> |                |                |                |
|--|----------------|----------------|----------------|
| <b>FUND AFFECTED</b>                       | <b>FY 2016</b> | <b>FY 2017</b> | <b>FY 2018</b> |
| <b>Local Government</b>                    | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>     |

## FISCAL ANALYSIS

### ASSUMPTION

#### § 640.090 - Department of Natural Resources Implementation Impact Reports:

Officials from the **Department of Natural Resources (DNR)** assume this proposal would require an implementation impact report for all state implementation plans (SIPs), state plans, rules, or regulations prepared for submission to the U.S. Environmental Protection Agency (EPA) based on Clean Water and Clean Air Act regulations.

DNR assumes this proposal would require additional staff work in preparing an implementation report for additional rules and plans where this type of analysis is not currently required and answering the specific criteria of the implementation report. Currently, DNR relies heavily on extensive stakeholder involvement to ensure DNR is considering such impacts well in advance of proposing a rule or other major action. DNR does not currently have staff with the expertise necessary for preparing the implementation impact report required in this proposal.

DNR assumes 10 additional FTE would be required to address this new requirement. The additional technical staffing need is estimated based on the current level of effort to prepare a regulatory impact report (RIR) for any rule that prescribes an environmental condition or standard (required by 640.015, RSMo). The preparation time for these rulemaking RIRs is estimated at approximately 150 hours each. It is anticipated the new requirement for implementation impact reports will triple the amount of preparation time and effort, or roughly 450 hours each, due to the more in-depth analysis and coordination with other agencies required.

DNR anticipates the additional expenses to begin July 1, 2015 (FY16). The total additional expenses would result in an estimated fiscal impact of \$782,822 in FY16. DNR assumes the proposal does not provide a funding source and the department currently has no funds available for additional work as existing fees are not covering current year expenditures. DNR assumes General Revenue funds would be required to implement the proposal with the following costs.

ASSUMPTION (continued)

|  |                    |
|--|--------------------|
| 3 - Economists                         | (\$150,300)        |
| 2 - Environmental Engineers II         | (\$ 96,240)        |
| 2 - Environmental Specialists I/II/III | (\$ 80,260)        |
| 1 - Senior Office Support Assistant    | (\$ 24,090)        |
| 2 - Epidemiology Specialists           | (\$ 80,260)        |
| Fringe Benefits                        | (\$224,220)        |
| <u>Equipment &amp; Expense</u>         | <u>(\$127,452)</u> |
| FY 16 Total Cost                       | (\$782,822)        |

Officials from the **Department of Health and Senior Services, Office of Administration - Division of Budget and Planning, Department of Economic Development - Division of Energy** and the **Missouri Public Service Commission** each assume the proposal would not fiscally impact their respective agencies.

| <u>FISCAL IMPACT - State Government</u>                     | FY 2016<br>(10 Mo.)       | FY 2017                   | FY 2018                   |
|---|---------------------------|---------------------------|---------------------------|
| <b>GENERAL REVENUE FUND</b>                                 |                           |                           |                           |
| <u>Costs - DNR § 640.090</u>                                |                           |                           |                           |
| Personal Service  | (\$431,150)               | (\$522,554)               | (\$527,779)               |
| Fringe Benefits   | (\$224,220)               | (\$271,754)               | (\$274,471)               |
| Expense and Equipment                                       | <u>(\$127,452)</u>        | <u>(\$60,989)</u>         | <u>(\$62,512)</u>         |
| <u>Total Costs - DNR</u>                                    | <u>(\$782,822)</u>        | <u>(\$855,297)</u>        | <u>(\$864,762)</u>        |
| FTE Change - DNR  | 10 FTE                    | 10 FTE                    | 10 FTE                    |
| <b>ESTIMATED NET EFFECT ON THE<br/>GENERAL REVENUE FUND</b> | <b><u>(\$782,822)</u></b> | <b><u>(\$855,297)</u></b> | <b><u>(\$864,762)</u></b> |
| Estimated Net FTE Change for the<br>General Revenue Fund    | 10 FTE                    | 10 FTE                    | 10 FTE                    |

| <u>FISCAL IMPACT - Local Government</u> | FY 2016<br>(10 Mo.) | FY 2017           | FY 2018           |
|---|---------------------|-------------------|-------------------|
|   | <b><u>\$0</u></b>   | <b><u>\$0</u></b> | <b><u>\$0</u></b> |

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

§ 640.090 - Department of Natural Resources Implementation Impact Reports:

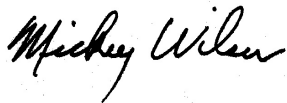
This proposal requires the Department of Natural Resources, when developing a state implementation plan, state plan, rule, or regulation for submission to the Environmental Protection Agency, to prepare an implementation impact report. The report shall contain certain criteria as set forth in the proposal, and shall be delivered to the Governor, President Pro Tempore of the Senate, and the Speaker of the House of Representatives along with the proposed plan, rule, or regulation one month prior to submission to the Environmental Protection Agency. The report and proposed plan, rule, or regulation shall also be posted to DNR's website.

FISCAL DESCRIPTION (continued)

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 Economic Development -  
Division of Energy  
Missouri Public Service Commission  
Office of Administration -  
Division of Budget and Planning  
Department of Health and Senior Services



Mickey Wilson, CPA  
Director  
February 23, 2015

Ross Strobe  
Assistant Director  
February 23, 2015