

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4912-01  
Bill No.: SB 669  
Subject: Agriculture; Air Quality; Animals; Appropriations; Boards, Commissions, Committees, Councils; Bonds-Surety; Civil Penalties; Energy; Environmental Protection; Historic Preservation; Fees; Mining and Oil and Gas Production; Natural Resources Department; Parks and Recreation; Waste-Hazardous; Waste-Radioactive; Waste-Solid.  
Type: Original  
Date: January 19, 2016

Bill Summary: This proposal transfers money from certain funds administered by the Department of Natural Resources to general revenue.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
General Revenue	\$0 or Up to \$147,951,451	\$0 or Up to \$175,021,296	\$0 or Up to \$174,674,926
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0 or Up to \$147,951,451</b>	<b>\$0 or Up to \$175,021,296</b>	<b>\$0 or Up to \$174,674,926</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Multiple State Funds Under DHSS, DIFP, DNR*	\$0 or (Up to \$147,951,451)	\$0 or (Up to \$175,021,296)	\$0 or (Up to \$174,674,926)
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0 or (Up to \$147,951,451)</b>	<b>\$0 or (Up to \$175,021,296)</b>	<b>\$0 or (Up to \$174,674,926)</b>

\*Transfer In and Cost Net to Zero

Numbers within parentheses: ( ) indicate costs or losses. This fiscal note contains 34 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
Federal Funds	\$0	\$0	\$0
Abandoned Mine Reclamation	\$0	\$0	\$0
Water and Wastewater Loan Fund	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\*Transfer In and Cost Net to Zero

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</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 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials at the **Department of Natural Resources (DNR)** assume this proposal would have a negative fiscal impact on their organization, specifically the multiple divisions and various programs that fall under the umbrella of DNR.

This proposal would require fees previously deposited into dedicated fee funds to be deposited to the General Revenue Fund. If the department is left with insufficient appropriation authority under General Revenue to provide spending authority for the fee funds transferred to General Revenue Fund, it would have a dramatic impact both directly and indirectly on the operation of numerous department activities.

Many federal grants require match from fees impacted by this proposal. If the department is unable to meet matching requirements of a grant, the department cannot apply. The department, local governments and others heavily depend upon the financial support of our federal partners.

The department assumes there will be a 10-month gap in funding. The FY17 budget, which will include the current existing DNR funding sources and appropriations, is expected to be signed by the Governor and become effective July 1, 2016. If SB 669 is passed, it will become effective August 28, 2016 and the affected funds and appropriations will either not exist or will not have cash behind the appropriations. This will affect or end a variety of operations.

The following chart provided by DNR reflects the negative fiscal impact this proposal would have on specific divisions and programs within their organization.

FUND AFFECTED	FY 2017	FY 2018	FY 2019
Controlled Subst Cleanup	\$0	\$0	\$0
Rural Water and Sewer Loan Revolving	(\$735,571)	(\$882,685)	(\$882,685)
Stormwater Loan Revolving	(\$441,403)	(\$529,683)	(\$529,683)
Coal Mine Land Reclamation	\$0	\$0	\$0
Water and Wasetwater Loan Revolving	(\$84,527,032)	(\$101,432,438)	(\$101,432,438)
Cost Allocation Fund	(\$12,476,055)	(\$14,971,266)	(\$14,971,266)
Natural Resources Rev Serv	(\$2,384,637)	(\$2,861,564)	(\$2,861,564)
Infectious Waste Incinerator	\$0	\$0	\$0
Post Closure	(\$2,207)	(\$2,648)	(\$2,648)
Safe Drinking Water Fund	(\$4,144,676)	(\$5,147,154)	(\$5,138,072)
Underground Storage Tank Reg Program	(\$45,587)	(\$57,329)	(\$209,048)
Petroleum Storage Tank Ins	\$0	\$0	\$0
NRP-Air Pollution Asbestos Fee	(\$373,368)	(\$591,634)	(\$591,634)
MO Air Emission Reduction	(\$1,697,562)	(\$2,039,083)	(\$2,037,814)

ASSUMPTION (continued)

Oil and Gas Remedial	(\$56)	(\$67)	(\$67)
Concent Animal Feeding	(\$3,179)	(\$3,815)	(\$3,815)
Oil and Gas Resources Fund	(\$54,583)	(\$129,074)	(\$129,074)
Mined Land Reclamation	(\$487,031)	(\$656,913)	(\$680,460)
Dry-Cleaning Envir Resp Trust	(\$100,333)	(\$109,304)	(\$100,871)
Geologic Resources Fund	(\$159,158)	(\$190,990)	(\$190,990)
Hazardous Waste Fund	(\$4,683,891)	(\$4,883,337)	(\$4,835,717)
Groundwater Protection	(\$623,401)	(\$748,081)	\$748,081)
Environmental Radiation Monitor	(\$241,833)	(\$290,199)	(\$290,199)
NRP-Air Pollution Permit Fee	(\$7,456,385)	(\$7,260,506)	(\$6,802,386)
Metallic Minerals Waste Mgmt	(\$83,603)	(\$83,603)	(\$83,603)
Solid Waste Management	(\$10,057,380)	(\$12,068,856)	(\$12,068,856)
Solid Waste Mgmt - Scrap Tire	(\$1,809,821)	(\$2,171,785)	(\$2,171,785)
NRP - Water Pollution Permit Fee	(\$5,480,058)	(\$6,162,113)	(\$6,163,130)

ASSUMPTION (continued)

Natural Resources Protection	(\$236,927)	(\$284,312)	(\$284,312)
Historic Preservation Revolving	(\$598,968)	(\$718,761)	(\$718,761)
State Parks Earnings	(\$8,477,624)	(\$10,173,149)	(\$10,173,149)
Total Estimated Net Fiscal Impact on DNR	(\$147,382,329)	(\$174,450,349)	(\$174,102,198)

**Department of Natural Resources (DNR) - Division of Administrative Support (DAS)**

The Department Operations and Agency Wide portions of the department's current budget requests direct appropriations from fee funds as well as transfer appropriations out of the fee funds to the cost allocation fund, an administrative fund, supporting the Director's Office and administrative activities such as budget, general, accounting, human resources, internal audit and management services, real estate and information technology. If fees are deposited into the General Revenue Fund rather than fee funds, cash won't be available in the fee funds to support direct appropriations or transfer appropriations from the fee funds or provide match on federal grants, resulting in the department's inability to apply for and be awarded federal grants. The reduced funding would result in significant impacts to the Director's Office, Administrative Support and OA/ITSD-DNR staffing and operations. Additionally, the contribution the department provides to the real estate budget would be reduced. The department's real estate contribution is used to cover a portion of OA-FMDC staffing and operational costs and other costs shared across consolidated agencies.

Section 260.391.1 would require federal funds received to be paid to the director of revenue and deposited into the Hazardous Waste Fund. Federal funds are not to be co-mingled with state funds and are currently deposited into the Department Of Natural Resources Federal 0140 Fund. Subpart C of OMB A-133 requires the department to be able to:

- (a) Identify, in its accounts, all Federal awards received and expended and the Federal programs under which they were received. Federal program and award identification shall include, as applicable, the CFDA title and number, award number and year, name of the Federal agency, and name of the pass-through entity.

ASSUMPTION (continued)

(b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

(c) Comply with laws, regulations, and the provisions of contracts or grant agreements related to each of its Federal programs.

(d) Prepare appropriate financial statements, including the schedule of expenditures of Federal award.

**DNR- Division of State Parks**

Sections 253.040 and 253.090 would change the fund name that collections are deposited into from the State Park Earnings Fund to General Revenue Fund. This would prevent the Division of State Parks from retaining any of the fees collected for camping and items sold within our parks.

The State Parks Earnings Fund is approximately 25% of the annual budget. While State Parks could absorb some expenses with the Parks and Soils Sales Tax Fund, this cut would correspond to between 20-25% reduction in services to our taxpayers and customers which equates to the closure of about 17 state parks and historic sites.

Section 253.402 would delete the Historic Preservation Revolving Fund reference and direct all deposits for the section to be deposited into the General Revenue Fund. The deletion of the State Historic Preservation Revolving Fund would remove a dedicated source of match for federal grants which funds existing staff and pass through funds to local government entities and historic preservation partners. Without the matching funds, the State Historic Preservation Office would not be able to apply for the federal grant from the National Parks Service.

The State Historic Preservation Office FY17 core budget equals \$3,198,660 and 17.25 FTE. If general revenue appropriation is not provided to give the department spending authority for the fee funds associated with the SHPO, the program will cease to operate.

**DNR - Missouri Geological Survey**

**Sections 256.616, 256.635 and 256.637 - Groundwater Protection Fund**

The department would not have statutorily supported fee funds to permit (license) well installation contractors or provide oversight of their work to install, repair or plug water wells, heat pump wells, monitoring wells or pumps. We would no longer provide certification of new wells or registration of reconstructed or plugged wells.

ASSUMPTION (continued)

We also would no longer provide information and assistance to well drillers and homeowners or businesses regarding well issues, such as bacterial contamination.

**Sections 256.700-256.705 - Geologic Resources Fund**

The department would not have statutorily supported fee funds to collect, process, manage, or distribute geologic and hydrologic resource information pertaining to mineral resource potential in order to assist the mineral industry.

**Sections 259.052 and 259.080 - Oil & Gas Resources Fund**

The department would not have statutorily supported fee funds to oversee oil and gas permitting, oversee oil and gas exploration and production activities, or ensure compliance with the statute and regulations, nor would we provide assistance and information for future exploration and production.

**Section 259.190 - Oil and Gas Remedial Fund**

The department would not have statutorily supported fee funds to plug oil or gas wells abandoned by operators, or assist those requesting guidance.

**Sections 444.370, 444.540, 444.580, 444.650, 444.730, 444.740, 444.768, 444.770, 444.772, 444.775, 444.782, 444.820, 444.870, 444.960, 444.965, and 444.970 - Metallic Minerals Waste Management Fund, Mined Land Reclamation Fund, and Coal Mine Land Reclamation Fund**

The department would not have statutorily supported fee funds to issue permits or provide oversight, assistance, and information for industrial mineral, metallic mineral, and coal mines, or conduct reclamation of those sites in case of bond forfeiture.

The Missouri Geological Survey FY17 core budget equals \$9,310,115 and 84.37 FTE. If general revenue is not provided to give the department spending authority for the fee funds associated with the Missouri Geological Survey (supported by funds above as well as environmental fee funds and related federal funds also affected by this legislation), the division will cease to operate.

**DNR - Division of Environmental Quality (DEQ)**

The following DEQ Programs and Regions are affected:

- Solid Waste Management Program, (including funding for the twenty (20) solid waste management districts and the districts' subgrantees
- Water Protection Program



ASSUMPTION (continued)

- Air Pollution Control Program
- Hazardous Waste Program
- Environmental Services Program
- Kansas City Regional Office
- Northeast Regional Office
- St. Louis Regional Office
- Southeast Regional Office
- Southwest Regional Office

Funds directly affected are:

- 0282 – Infectious Waste Incinerator
- 0568 – Water Pollution Permit Fees Subaccount
- 0569 – Solid Waste Management Scrap Tire Subaccount
- 0570 – Solid Waste Management
- 0594 – Air Pollution Permit Fees Subaccount
- 0656 – Environmental Radiation Monitoring
- 0676 – Hazardous Waste
- 0834 – Concentrated Animal Feeding
- 0898 – Dry Cleaning Environmental Response Trust

**Solid Waste Management Program**

**Section 260.203** of the proposed legislation would redirect the deposit of funding generated from collection of fees related to tons of infectious waste managed/transferred within Missouri and the fees related to inspection of infectious waste incinerator from the Solid Waste Management fund to the General Revenue Fund. Unless appropriation is provided to the department in the general revenue category to expend these funds, the following activities would be affected:

- Review permits and permit modifications related to infectious waste processing facilities including transfer stations.
- Conduct facility Quality Assurance/Quality Control inspections to ensure design criteria are met.
- Conduct public meetings (Public Awareness Sessions and Public Hearings).
- Review and determine financial responsibility for new infectious waste facilities seeking to conduct business in Missouri.
- Inspect and enforce the Missouri Solid Waste Management Law and regulations including negotiating out-of-court settlements and pursuit of litigation.

ASSUMPTION (continued)

- Provide guidance on proper disposal, transport, and management of infectious waste materials including Ebola and Avian Influenza impacted materials and pharmaceuticals.
- Ensure proper and timely collection and remittance of fees by infectious waste processing facilities including transfer stations.

**Section 260.205** of the proposed legislation would redirect the deposit of funding generated from collection of permit application fees and amounts remitted by permit applicants for the costs associated with permit review to a certain capped amount from the Solid Waste Management fund to the General Revenue Fund. Unless appropriation is provided to the department in the general revenue category to expend these funds, the following activities would be affected:

- Review permits related to solid waste disposal areas and solid waste processing facilities including transfer stations and material recovery facilities.
- Conduct facility Quality Assurance/Quality Control inspections to ensure design criteria are met.
- Review and determine financial responsibility and adequacy of financial assurance for new solid waste disposal areas and solid waste processing facilities seeking to conduct business in Missouri.

The department's Solid Waste Management Program has received a determination of adequacy from the U.S. Environmental Protection Agency and is the single state governmental unit approved to issue Subtitle D, Municipal Solid Waste Landfill permits in the state. Absent funding for permit review and modification processes, the department would return the program to the U.S. EPA. With this return of the program to U.S. EPA, determinations routinely made by the state program related to landfill siting and expansions would no longer occur. This would mean that new landfills and landfill expansions south of a line from approximately Kansas City to St. Louis would no longer occur and landfills currently operating in that area would be required to close upon completion of their current landfill cells.

**Sections 260.270 and 260.273** of the proposed legislation would redirect the deposit of funding generated from collection of permit application fees from scrap tire sites and commercial scrap tire haulers and the proceed of new tire fee from the Solid Waste Management Scrap Tire Subaccount fund to the General Revenue Fund. Unless appropriation is provided to the department in the general revenue category to expend these funds, the following activities would be affected:

ASSUMPTION (continued)

- Oversee statewide scrap tire activities (i.e. review of hauler and processor permit applications, inspections, dump investigations and cleanups, enforcement and cost recovery, and technical assistance for beneficial use).
- Investigate and pursue compliance actions for illegal dumping. This includes using surveillance cameras at dumpsites to combat illegal dumping on public and innocent party properties.
- Provide guidance on proper disposal, transport, and management of scrap tires and associated waste materials.
- Grant funds to schools and other entities for scrap tire material playground and non-playground grants.
- Scrap tire clean-ups in local communities and work with local prosecutors to hold illegal dumpers responsible would cease.

**Section 260.330** of the proposed legislation would redirect the deposit of funding generated from collection of fees from solid waste disposal areas and transfer stations transporting waste out-of-state from the Solid Waste Management Scrap fund to the General Revenue Fund. Unless appropriation is provided to the department in the general revenue category to expend these funds, the following activities would be affected:

- Ensure proper management of nonhazardous solid waste, such as: household garbage, demolition waste and nonhazardous industrial solid wastes.
- Permit solid waste facilities under state statutory authority with one exception, municipal waste landfill siting and permitting, which the US EPA has granted the state program through a determination of adequacy under 40 CFR Part 258, Subtitle D.
- Coordination with the Missouri Geological Survey to complete the siting and permitting process (hydrologic/geologic evaluation) necessary to ensure waters of the state remain uncontaminated from solid waste.
- Work with:
  - Active solid waste disposal areas: 18 sanitary landfills, 2 construction and demolition landfills, 8 utility waste landfills, and 3 special waste landfills.
  - Active solid waste processing facilities: 59 transfer stations/material recovery facilities, 19 scrap tire processors and 3 infectious waste processors.

- Manage 550+ issued permits, many at closed or inactive facilities and numerous permit modifications each year.
- Work with the Environmental Improvement and Energy Resources Authority's Missouri Market Development Program (EIERA's MMDP) on issues of mutual interest that result in the creation of businesses and jobs in the recycling business sector. Funding for the 20 solid waste management districts and their sub grantees.
- Ensure appropriate expenditure of public funds through oversight and auditing of the 20 solid waste management districts and their sub grantees.
- Monitoring and auditing of fee collection and payment by regulated facilities.
  
- Technical assistance, compliance assistance, and investigation of environmental concerns.
- Inspect landfills and processing facilities and takes enforcement actions when entities fail to comply.
- Promote projects to build recycling/recovering/processing infrastructure and create green jobs.
- Work through MOUs, grants and cooperative agreements with other state departments and federal agencies to promote proper solid waste management and develop end use products.
- Conduct landfill operator certification training.
- Review permit modifications - e.g. solid waste disposal areas (sanitary, demolition, special, and utility waste landfills) and solid waste processing facilities (transfer stations and material recovery facilities) and permits (where permit application fees or capped cost recovery is insufficient).
- Conduct facility Quality Assurance/Quality Control inspections to ensure design criteria are met.
- Conduct public meetings (Public Awareness Sessions and Public Hearings).
- Review applications for beneficial use, permit exemptions, and composting.

ASSUMPTION (continued)

- Review groundwater and methane monitoring data- to protect public health, safety and the environment.
- Develop closure and post-closure cost estimates and plans (for financial assurance calculations).
- Review closure reports for solid waste disposal areas.
- Oversee the twenty (20) solid waste management districts (SWMDs) and the districts reduce/ reuse/recycle grant program (approx. 400-600 subgrants and \$10M during an 18 month period).
- Manage and report on Financial Assurance Instruments (i.e., contracts of obligation, surety bonds, corporate guarantees, and letters of credit) are valid, updated annually or as permit modifications occur and are sufficient to support corrective action and closure/post closure activities which can span more than 30 years. Manages and oversees forfeited instrument funds and associated contracts to verify the moneys are used appropriately for corrective action and closure/post closure activities ensuring proper maintenance and monitoring of closed and inactive sites where no responsible party is known.
- Staff the Solid Waste Advisory Board (SWAB) and Scrap Tire Advisory Group for administrative and financial services, working with district executive boards, county commissions, city and county government, as needed, and other stakeholder groups.

The program's FY17 core budget equals \$22,255,736 and 38.00 FTE. If general revenue appropriation is not provided to give the department spending authority for the fee funds associated with the Solid Waste Management Program, the program will cease to operate.

**Water Protection Program**

**Section 640.220** of the proposed legislation would redirect the deposit of funding generated from the collection of water pollution permit fees from the Natural Resources Protection Fund – Water Pollution Permit Fee Subaccount into the General Revenue Fund. Unless appropriation is provided to the department in the general revenue category to expend these funds, the following activities would be affected:

ASSUMPTION (continued)

- Review and process applications for new discharge and operating permits, renewals, permit modifications, permit terminations and variances. Discharge and operating Permits incorporate requirements which require permit holders to meet water quality and technology based discharge standards. Discharge and Operating permits are issued to Private domestic wastewater dischargers, Concentrated Animal Feeding Operations, and Industrial and Municipal wastewater and stormwater facilities. Without funding, permitting work would be shifted back to EPA.
- Conduct public meetings, workshops, public hearings, and Clean Water Commission meetings.
- Carry out the activities required of states to retain delegation to administer the Federal Water Pollution Control Act in Missouri; thus these activities would revert back to EPA.
- Protect the waters of the state, and more specifically, protect, maintain, and improve the quality for public water supplies and for domestic, agricultural, industrial, recreational and other beneficial uses and for the propagation of wildlife, fish and aquatic life.
- Revise and promulgate water quality standards after finding environmental need for revisions. Conduct evaluations which include environmental and economic impacts of the revised water quality standards and criteria.
- To provide that no waste be discharged into any waters of the state without first receiving the necessary treatment or other corrective action to protect the legitimate beneficial uses of such waters and meet the requirements of the Federal Water Pollution Control Act.
- To provide for the prevention, abatement and control of new or existing water pollution.
- Storm water control permitting and technical assistance.
- Wastewater and water pollution abatement to promote tourism by maintaining the quality of the waters of the state.
- Maintain the impaired waters list required by Section 303(d) of the federal Clean Water Act. This listing is sent to EPA for its approval that results in waters of the state being classified as impaired. In the absence of state input, EPA crafts the list independently.
- Issue water quality certifications for federal licenses and permits, primarily section 404 permits issued by the U.S. Army Corps of Engineers.

ASSUMPTION (continued)

- Promulgate reasonable effluent, pretreatment and toxic material control regulations which require the use of effective treatment facilities, or other methods to prevent water contamination, for each and every significant source, potential source, and classification of sources of water contaminants, or to limit or prevent introduction of water contaminants into publicly owned treatment works or facilities as required under any federal water pollution control act.
- Inspect and enforce conditions of permits and respond to complaints of water pollution and environmental disasters.
- Provide technical and compliance assistance to regulated community.
- Recover Natural Resources Damages and other state claims for damages that occur due to discharges and spills that cause pollution of waters of the state.
- Administer the processing of invoices and collection of permit fees and annual fees.
- Provide match for the annual Performance Partnership Grant resulting in an annual loss in grant funding.
- Ensures safe drinking water, provides financial and technical assistance to public drinking water supplies, sets standards for safety and testing, issues permits and conducts compliance and enforcement efforts where necessary.
- Provides financial assistance to Missouri communities for the construction of new, and the improvement of existing, drinking water, domestic wastewater, animal wastewater, storm water control and rural water supply and sewer systems.

**Sections 640.740-747** of the proposed legislation would redirect the deposit of funding generated from the collection of class IA permitted animal unit fees from the Concentrated Animal Feeding Operation Indemnity Fund into the General Revenue Fund. Unless appropriation is provided to the department from general revenue to expend these funds, the following activities could be affected:

- Closure of class IA, class IB, class IC and class II concentrated animal feeding operations (CAFOs) that have been placed in the control of the government due to bankruptcy, failure to pay property taxes or abandonment.
- Return of moneys paid into the fund when the department determines that an owner has successfully closed a CAFO.

ASSUMPTION (continued)

- The program's FY17 core budget equals \$709,550,499 and 166.69 FTE. If general revenue appropriation is not provided to give the department spending authority for the fee funds associated with the Water Pollution Program, the program will cease to operate.

**Air Pollution Control Program**

**Section 640.220** of the proposed legislation would redirect the deposit of air pollution permit fee revenue from the Natural Resources Protection Fund – Air Pollution Permit Fee Subaccount into the General Revenue Fund. Unless appropriation is provided to the department in the general revenue category to expend these funds, the following activities would be affected:

- Processing of construction and operating permits. This could delay the construction and operations of a new facility.
- Enforcement and compliance activities aimed at effectively enforcing the requirements of the federal Clean Air Act (CAA). This includes enforcement efforts such as inspections, which ensures that regulated facilities are operating in accordance with their permit limits and other requirements to protect the state's air quality. Open burning permits and citizen complaints would also be impacted.
- Rule and State Implementation Plan (SIP) development.
- Air quality modeling is necessary for the development of state implementation plans and permits. This will cause a delay in these modeling projects thus resulting in larger expenditures for permit applicants and delays in permitting, resulting in delays of new projects and existing business expansions.
- Emission inventories, which are used in a variety of permit applications, including SIP development, SIP and permit modeling exercises, compliance demonstrations, and annual trend analyses.
- Air monitoring activities is an essential part of maintaining the department's ability to implement the requirements of the federal CAA. The state must maintain a network and validate the data that complies with the provisions of EPA's monitoring rules for the purposes of determining compliance with standards.
- Other areas that would be impacted are the fiscal and budget responsibilities and stakeholder outreach.

The state must maintain an appropriate level of effort in all areas or risk losing the authority for implementing the CAA to the Environmental Protection Agency (EPA). A reduction of services



ASSUMPTION (continued)

jeopardizes the entire infrastructure that is in place to support the protection of human health and the environment. It will be difficult and maybe even impossible to maintain the existing efforts and federal mandates and failure to meet Clean Air Act requirements can result in a reduction of federal funds provided for Air Activities.

The program's FY17 core budget equals \$14,604,059 and 107.98 FTE. If general revenue appropriation is not provided to give the department spending authority for the fee funds associated with the Air Pollution Control Program, the program will cease to operate.

**Hazardous Waste Program**

**Sections 260.262, 260.380, 260.390, 260.391, 260.395, 260.475, 260.569, 260.900, 260.905, 260.940, 260.945, and 260.955** of the proposed legislation would redirect the deposit of fees from the Hazardous Waste Fund into the General Revenue Fund. Unless appropriation is provided to the department in the general revenue category to expend these funds, the following activities would be affected:

- Conduct pesticide collection events.
- Registration of hazardous waste handlers (companies or individuals that generate, transport or treat, store or dispose of hazardous waste). The registration work would be returned to EPA Region VII and result in slower response to and lengthier time to complete registration process for hazardous waste handlers.
- Managing the reporting & billing functions for generators. These are state-only functions. Not receiving and entering reporting would eliminate a portion of the hazardous waste tracking function and the basis for fee billing. Not billing & collecting fees would result in a loss in operating revenue.
- Oversight of hazardous waste permit applications and permit modifications; development/issuance of hazardous waste facility permits; coordination of permitting activities with appropriate stakeholders including EPA, other DNR Programs/Divisions, MDHSS, regulated facilities and their consultants, and the public; and state rulemaking and authorization activities related to permitting. Eliminating these functions would necessitate transfer of the permitting portion program back to EPA, which would cease all state decision-making authority for hazardous waste permitting issues. Reduction could result in delays in issuance in permits and modifications, failure to meet national permitting goals, loss of state revenue for permits and oversight, potential loss of grant funding and the inability to fund permitting support functions.

ASSUMPTION (continued)

- Review and issuance of Resource Recovery Certification Applications. Discontinuation of Resource Recovery as a state-specific program would result in hazardous waste going for disposal instead of recycling/reuse and may present a possible issue with EPA authorization.
- The investigation and discovery of hazardous substance sites, responding to related complaints, coordinating public involvement, and all related activities including sampling sites, listing of sites, developing pre-scores, identifying potentially responsible parties, and interaction and coordination with EPA and other federal, state and local agencies. Without these activities, unknown hazardous sites would not be found and known sites would not be investigated to determine threat to public health and the environment. Without the information developed during these investigations, the public would not be aware of the location of these sites and public health and the environment would not be protected
- These funds are used as match to the Performance Partnership Cooperative Agreement. Without the combined funds, the program would not have funding to support the enforcement of state and federal laws and provide technical assistance, to obtain and maintain generator's compliance, conduct inspections to assess, evaluate and investigate situations in the field and determine if violations occurred, continue, or have been corrected or to prepare and update technical guidance documents. In addition we would not conduct PCB inspections at generator sites and commercial PCB treatment/storage/disposal facilities or respond to complaints regarding improper use or disposal of PCBs.
- The program could not review applications for HW Transporter licenses received by MODOT, verify license fees, check applicants for compliance with applicable environmental regulations. Conduct Commercial Vehicle Safety Alliance (CVSA) inspections of commercial motor vehicles transporting hazardous waste, citing defects and placing vehicles/drivers out-of-service when appropriate. Review hazardous waste manifests received by the department for hazardous waste shipped in the state, issue notices of violations (NOVs) and Letters of Warning (LOWs) when violations are discovered. Provide technical assistance to generators with manifesting questions.
- Respond to Sunshine Law and other record requests, coordinate rulemaking activities.
- Providing technical oversight for the investigation and cleanup of contaminated sites voluntarily enrolled in voluntary cleanup programs and ensuring long-term stewardship (LTS) at applicable sites. This includes the review and approval of site investigation, corrective action work plans and reports and quarterly monitoring reports. Eliminating these activities will have a negative impact on property transactions, would slow down productive reuse of property and hamper economic development in Missouri.

ASSUMPTION (continued)

- Contamination can threaten human health and the environment if not properly addressed. Sites with restrictions (LTS) would not be monitored to ensure that safety requirements are met. These programs protect the environment, reduce blight, and take development pressures off green spaces and working lands.
- There is potential loss to the state of the Federal Brownfields Cooperative Agreement if the state does not support the Voluntary Cleanup Program. This agreement provides funds for environmental site assessment services (all appropriate inquiries, Phase I and Phase II Assessments), technical assistance to help communities in assessing contamination at their properties and management of Long Term Stewardship information. Eliminating these activities will have a negative impact on property transactions, would slow down productive reuse of property and hamper economic development in Missouri.

Portions of the bill related to the Environmental Radiation Monitoring Fund include **RSMO 260.392** which eliminate the outlined uses of the fund and directs revenues to be deposited into General Revenue Fund and **RSMo 260.750** which eliminates the fund. The department's Hazardous Waste Program would no longer have funding available for:

- Coordination of emergency response capability, education and training of state, county and local emergency responders, purchase and maintenance of emergency response equipment and response to or oversight of transportation incidents involving radioactive waste shipments.

In **RSMO 260.920 – 260.935** the legislation eliminates the Dry-cleaner Environmental Response Trust (DERT) and directs revenues to be deposited into General Revenue Fund. The department's Hazardous Waste Program would no longer have funding available to:

- Process DERT fund reimbursement claims which includes reviewing claim submittals, determining eligible costs, generating reimbursement payments, and responding to customer's questions regarding those payments. Many owners and operators of current and former dry cleaning sites would not have the money to pay for the cleanup at their sites. Many of these sites would then not get cleaned up and would threaten human health and natural resources, including groundwater, in our state. In addition the department would not have funding for staff to collect and deposit fees resulting in a reduction to revenue.

ASSUMPTION (continued)

**Natural Resources Damages**

The department would not be able to continue identification of natural resource damages (NRD) sites, and related duties including assessing injuries to natural resources, communicating and coordinating with federal, other state and tribal co-trustees and response agencies, developing restoration plans, encouraging public participation in the process, developing NRD documents pursuant to regulations and other appropriate documents participating in negotiations with responsible parties, estimating damages, either in monetary or restoration project, terms, and restoring, replacing, rehabilitating or acquiring the equivalent of injured natural resources. Injuries to natural resources would not be discovered or repaired.

**Superfund-Cooperative Program and Registry**

The department would not negotiate Administrative Orders of Consent (AOC) to conduct investigation and/or remediation or oversight investigation and/or remediation of contaminated sites. Related administrative functions such as cost recovery, coordination with federal, state and local agencies would not be performed. The department would not be able to update and publish the Registry Annual Report, maintain a Registry log, respond to Registry sites changes in land use request and property transfers.

Impacts: Known hazardous substance (HS) sites would not be cleaned up. Public health and the environment would not be protected. The public would not be notified of abandoned or uncontrolled hazardous waste sites. Property use of hazardous waste sites could change thereby increasing risk to public health and the environment. The public could unknowingly purchase contaminated property. This would impact: Responsible parties, the public, consultants, environmental groups, property owners, developers, cities and communities.

**Superfund-CERCLA Remedial**

The department would not be able to ensure public involvement or investigate, sample or review remedial investigations & feasibility studies for hazardous substance (HS) sites. This includes review of proposed plans, Record of Decisions, Superfund State Contracts, 5-year reviews, health and safety or remedial action plans. The department would not oversee remedial actions or provide for state interaction and coordination with EPA and other federal and local agencies. The department could not develop long term operation and maintenance plans.

ASSUMPTION (continued)

Impacts: Known HS sites would not be investigated and remediated, the public would continue to live in areas where HS exists, public health and the environment would not be protected.

**Operations & Maintenance/in-kind work on Completed Fund Lead Superfund Sites**

The department would not meet the state obligation to inspect completed Superfund fund-lead National Priorities List sites, complete needed maintenance activities, write reports, coordinate with site owner on proper maintenance and appropriate uses of site or respond to citizens regarding site issues. The department would also not complete remedial action in-kind activities on Superfund fund-lead NPL sites. These activities may include surveying, water and soil sampling collection and analysis, writing reports, coordination with site owner and responding to citizens/environmental groups regarding site issues.

Impacts: Inappropriate uses or weather related damage could expose hazardous substances affecting human health and the environment. Needed maintenance would not be completed. If the state did not perform in-kind work to satisfy match requirements the state would have to pay EPA additional cost share.

This would impact: Public, consultants & contractors, environmental groups, property owners, developers, cities and communities.

**Oversight CERCLA Investigation / Remedial Efforts at Federal Facilities**

The department would not provide oversight and review of investigations, management and remediation of hazardous (chemical and radiological) substances at federal facilities in Missouri. Federal facilities primarily include sites either currently and previously owned or operated by the Department of Defense or the Department of Energy, or private companies that historically conducted business on behalf of those agencies. In addition, the department provides guidance to ensure that activities conducted at these sites are in accordance with both State and Federal environmental laws and regulations. (both federally funded and cost recovery sites).

Impacts: various federal agencies we work with would self-implement CERCLA standards, consequently there would be no State-operated oversight or verification of the Federal Agencies to ensure public health and the environment would be protected, in addition to keeping the public informed or answering public inquiries. Citizens of the State of Missouri would be subject to the

ASSUMPTION (continued)

decisions of the federal government without oversight of those activities or have the timely opportunity to negotiate outcomes prior to decision making/implementation.

This would impact: Responsible federal parties (that typically include the Dept. of Defense, Dept. of Energy, Dept. of Agriculture, Corps of Engineers, General Services Administration, or private firms), the public, consultants, environmental groups, property owners, developers, cities and communities. Loss of these activities would result in loss of related federal funds and cost recovery.

**Long Term Stewardship at current or former Federal Facilities**

As federal facilities in Missouri are cleaned up and have remedies implemented, there remain (in most cases) long-term stewardship responsibilities such as reviewing 5-year review documents, verifying site conditions through way of surveillance and inspection, confirming the continued existence of effective institutional control(s), and general records and knowledge retention for the site (if there are public inquiries or redevelopment/reuse of a property). Federal facilities that retain waste left in-place would have no follow-up confirmatory oversight to ensure that site conditions, ownership, or contamination stability has not changed and that the public remain safe from those contaminants. There would be no continued records retention by the State for interested parties or future property owners, significantly decreasing the retention of vital information from one generation to the next, putting the public at risk from future development and use at a site that may not be protective.

Loss of these activities would result in loss of related federal funds and cost recovery.

This would impact: Responsible federal parties (that typically include the Dept. of Defense, Dept. of Energy, Dept. of Agriculture, Corps of Engineers, General Services Administration, or private firms), the public, consultants, environmental groups, property owners, developers, cities and communities.

**Federal Facilities Technical Assistance on radioactive/nuclear and unexploded ordnance issues:**

The state would not have experts to provide technical assistance on the topic of specialized environmental concerns that include radioactive/nuclear and unexploded ordnance issues. This includes such work as Ameren UE submittals on environmental issues, Nuclear Regulatory

ASSUMPTION (continued)

Commission inspection concerns at sites in Missouri, radioactive waste transportation issues, management of naturally occurring and accelerator-produced radioactive material, and any scenarios of unexploded ordnance associated with military or private ammunition rounds being found on private or state-owned property.

The state would not have expertise on these issues, requiring information to be sought from federal entities such as the Nuclear Regulatory Commission or the Department of Defense, on their schedule and their prioritization of those issues of concern.

Those impacted include: Responsible federal parties (that typically include the Dept. of Defense, Dept. of Energy, Dept. of Agriculture, Corps of Engineers, General Services Administration, or private firms), the public, consultants, environmental groups, property owners, developers, cities and communities

**TANKS:**

Tank Registration/fees –Tank owners are required to register, therefore without registration there would be no record of age, size, type, location and uses of each tank. The Tanks database could not be maintained, information could not be provided to the public, EPA, legislators, other state agencies, etc., and GIS activities would cease. State fees and federal cost recoveries would not be collected. Tank owner Financial Responsibility - Petroleum Underground Storage Tank (UST) owners and operators are required to have the funds to pay for the cleanup and other damages that may occur from a release from their UST systems. The department would not be tracking or enforcing this requirement. Owners and operators may not have insurance coverage to pay for the cleanup and damages from a UST release. Many of these sites would then not get cleaned up and would threaten human health and natural resources, including groundwater.

Tank Closure/Tank Technology/New Installation –there would be no oversight or guidance/approval for tank closure or investigation and oversight of tank releases, prevention of releases and approval of technology to prevent releases such as leak detection, corrosion protection and spill and overfill prevention. The department would not inspect new installations.

The department would not provide technical oversight for site characterizations and remedial actions at regulated leaking underground storage tank sites. This includes the review and approval of site investigation, corrective action work plans and reports and quarterly monitoring

ASSUMPTION (continued)

reports. EPA requires inspection of facilities every three years; the state would not have a delegated program for these inspections resulting in potential releases to the environment. We would also not have staff to conduct enforcement actions for environmental laws and regulations. Loss of the delegation for tanks activities would result in the loss of related federal funding. Those impacted would include: Tank owners/operators, fuel marketers, the public, consultants, property owners, developers, cities and communities.

The program's FY17 core budget equals \$18,136,532 and 150.62 FTE. If general revenue appropriation is not provided to give the department spending authority for the fee funds associated with the Hazardous Waste Program, the program will cease to operate.

**Environmental Services Program**

The Environmental Services Program (ESP) provides field support and monitoring functions throughout Missouri in support of the Division's various programs. ESP includes the state's environmental laboratory. The laboratory is accredited by the U.S. Environmental Protection Agency (EPA) and performs chemical analysis of public drinking water supplies throughout the state. The lab also analyzes air, water, and soil samples. ESP also includes the Environmental Emergency Response Section which maintains a 24 hour/day, 7 day/week support and response capability that encompasses hazardous substance releases, radiological incidents, homeland security events, weapons of mass destruction, and natural disasters. Local fire departments, hazmat teams, law enforcement, and first responders throughout Missouri rely upon these services. This section also provides support and economical disposal options to law enforcement dealing with hazardous wastes as a result of clandestine drug lab seizures (predominately methamphetamine (meth) related). In addition, ESP has sections specializing in field monitoring of air and water quality.

Hazardous Substances Analysis & Emergency Response: The department coordinates state, federal and local efforts during an environmental emergency, including the coordination of controlled substance cleanup, and ensures that the emergency is brought to a safe and environmentally sound conclusion. In FY 2015, nearly 1,600 hazardous substance spills, leaks and other chemical-related incidents were reported through the emergency response system. Many of these incidents required an on-scene response to assess the situation, provide technical



ASSUMPTION (continued)

assistance to on-site responders and ensure that the hazardous substance release was properly cleaned up.

The program's FY17 core budget equals \$6,241,598 and 93.00 FTE. If general revenue appropriation is not provided to give the department spending authority for the fee funds associated with the Environmental Service Program, the program will cease to operate.

**Regional Offices**

The Regional Offices are located throughout the state of Missouri and work in partnership with the environmental programs in order to protect the state's air, land and water resources, which are important for Missouri citizen's quality of life and the economy. The program provides consistent, efficient delivery of services closest to where Missourians live and work. This is accomplished through timely compliance assistance, inspection, on-site visits to permitted

facilities, wastewater and air burn permit issuance, and investigating reported environmental concerns. Regional and satellite offices are located throughout the state to provide more local access to those we serve.

The program's FY17 core budget equals \$10,738,346 and 201.15 FTE. If general revenue appropriation is not provided to give the department spending authority for the fee funds associated with the Regional Offices, the Regional Offices will cease to operate.

**Administration**

The Division Administration is responsible for long-range planning to implement policies to protect public health and the environment. These responsibilities include the integration, direction, coordination and other management functions for the direct programs' statutory mandates. In addition, the division's Environmental Investigation Unit investigates criminal violations of environmental laws.

Technical Assistance Grants: This core appropriation provides authority to fund expenses and to pass through funds for technical assistance grants, environmental studies, environmental education projects, and demonstration and pilot projects. In addition, this appropriation allows

ASSUMPTION (continued)

the department to develop partnerships and pursue federal funds that often have a competitive application process.

Without federal and fee funding, the Division of Environmental Quality's Administration will cease to operate.

The department assumes there would no longer be staff to provide services or process billings to fee payers, so fees would not be collected or deposited into General Revenue Fund. The department used revenue projections from FY17 form 9s to estimate the loss of revenues.

The department assumes fees deposited into General Revenue Fund would be unavailable to match federal grants. The department cannot apply for federal grants requiring match if the funds to support the match are not available. The department estimates a loss of federal revenues in excess of \$41 million because of the inability to provide match and in anticipation of the department's federal EPA delegation being rescinded.

Due to the minimal grants remaining throughout the rest of the department, the department assumes there will be insufficient federal indirect funding to support administrative services. The department assumes Administrative units, including the Director's Office and the Division of Administrative Support would take significant reductions.

Due to the decrease in federal and cost allocation funds, the department assumes the HB 13 CAF transfer would be reduced by 78% or \$1,284,925; HB 6 CAF transfers to ITSD would be reduced by 59% or \$3,997,598; HB 6 Federal transfers to ITSD would be reduced by 100% or \$2,693,271.

Officials at the **Department of Health and Senior Services (DHSS)** assume this proposal would not have a fiscal impact on their organization. DHSS notes this is based on the assumption the funding for Hazardous Waste Fund and Environmental Radiation Monitoring Fund would be replaced with General Revenue.

Section 260.391.1 proposes that all funds that are currently deposited to the Hazardous Waste Fund from state regulatory sources (i.e. fees, penalties, cost recoveries, interest, or any other

ASSUMPTION (continued)

moneys) shall be deposited to General Revenue (GR). Therefore, the proposed legislation greatly reduces the amount in the fund and the fund balance will be exhausted. The Bureau of Environmental Epidemiology (BEE) currently receives an appropriation each year from the Hazardous Waste Fund to carry out services consistent with Sections 260.435 to 260.550, RSMo.

Section 260.750 eliminates the Environmental Radiation Monitoring Fund. Fees collected under Section 260.392.2, RSMo for certain radioactive material shipments identified by Section 260.392.1, RSMo are currently deposited into this fund. The proposed legislation changes the fees collected to be deposited to GR. Section 260.392.3 in the bill eliminates the objectives and purposes provisions for which the collected fees would be used under the revised statute. Section 260.392.4 of the proposed legislation retains the authority of DNR (in coordination with the DHSS and the Department of Public Safety) to promulgate rules to carry out the provisions apparently eliminated from Section 260.392.3. For fiscal note purposes DHSS assumes the intent of the proposed legislation is not to eliminate the objectives and purposes of the existing statute and fees, but to redirect the funding. BEE receives appropriations each year from the Environmental Radiation Monitoring Fund to carry out the provisions of the objectives currently found in Section 260.392.3, RSMo.

Hazardous Waste Fund

DHSS, BEE has appropriations from the Hazardous Waste Fund in the amount of \$271,570. Funding supports the equivalent of 4.5 Full Time Employees for personal services in the amount of \$204,687 and expense and equipment in the amount of \$66,883 for the performance of services consistent with Sections 260.435 to 260.550, RSMo. Loss of this funding without GR pickup would eliminate the delivery of these services, resulting in a significant negative impact on the protection of public health. For fiscal note purposes DHSS assumes Hazardous Waste

Fund appropriation authority would be replaced with GR to allow DHSS to maintain the current level of services.

Environmental Radiation Monitoring Fund

DHSS, BEE has appropriations from the Environmental Radiation Monitoring Fund in the amount of \$93,959. Funding supports the equivalent of 1.0 Full Time Employees for personal services in the amount of \$70,174 and expense and equipment in the amount of \$23,785 to

ASSUMPTION (continued)

perform the requirements of Section 260.392.3, RSMo. Loss of the Environmental Radiation Monitoring funding without GR pickup could keep DHSS from implementing the requirements of Section 260.392.3, RSMo resulting in a significant negative impact on the protection of public health. For fiscal note purposes DHSS assumes Environmental Radiation Monitoring Fund appropriation authority would be replaced with GR to allow DHSS to maintain the current level of services.

Officials at the **Office of Administration - Budget and Planning (BAP)** assume implementation of this proposal under certain circumstances will result in the decline and likely eventual elimination of various state revenues currently deposited into dedicated funds within the state treasury. All of these funds are currently expended by the Department of Natural Resources (DNR) and other agencies to carry out assigned duties. This legislation would begin redirecting these funds' revenues into General Revenue (GR) two months into Fiscal Year 2017. This redirection would effectively nullify the dedicated fund appropriations that currently pay for the programs which generate the revenues that the bill would redirect to GR. Without appropriating the redirected revenues from GR to support the programs in lieu of empty dedicated fund appropriations, both the programs and the revenues they generate will decline and likely cease, resulting in no long-term impact to GR revenues, but a significant long-term decrease in state revenues overall. If the redirected revenues are appropriated from GR to replace empty dedicated fund authority for the programs, there would be no positive net effect to GR. BAP cannot estimate the precise decline in revenues coming into the state nor the amount appropriated out of GR for these or other programs in future years.

With an effective date of August 28, 2016, **Oversight** will assume that appropriations may be made in the FY 2017 budget bills and in the supplemental appropriations process to ensure that the various state programs would be able to continue throughout FY 2017.

Officials at the **Office of Administration - Information Technology Services Division (ITSD)** assumes that expenditures currently funded from the DNR Cost Allocation and federal funds would be funded from the General Revenue Fund and from the Hazardous Waste Fund. Should this assumption prove incorrect, a significant fiscal impact could result to cover ITSD support for DNR.

ASSUMPTION (continued)

For fiscal year 2017, in HB5 for ITSD, there is \$6,526,236 currently funded by fund 500-DNR Cost Allocation. DNR states the funds listed in the legislation makes up of 59% of the DNR

Cost Allocation, which equals to \$3,997,598 and since these DNR funds now are deposited into general revenue, ITSD assume this \$4.0M will be funded by general revenue.

For fiscal year 2017, in HB5 for ITSD, there is \$2,693,271 currently funded by fund 0165-ITSD Federal Fund that comes from DNR federal grants. DNR states the funds listed in the legislation makes up of 100% of the Federal funds, which equals to \$2,693,271 and since these DNR federal funds would now are deposited into Hazardous Waste Fund, ITSD assume this \$2.7M will be funded by the Hazardous Waste Fund.

Officials at the **Office of Administration - Facilities Management, Design and Construction (FMDC)** assume this proposal could have an unknown negative fiscal impact on their organization, based this assumption on the following:

For fiscal year 2017, in HB13, there is \$1,686,254 currently funded by fund 500-DNR Cost Allocation. DNR states the funds listed in the legislation make up of 78% of the DNR Cost Allocation, which equals to \$1,264,691 and since these DNR funds now are deposited into general revenue, FMDC assume this \$1.2M will be funded by general revenue.

Even if DNR no longer needs the leased and/or state-owned office space, OA-FMDC still has Lease contractual obligations and State owned office building day-to-day expenditures that still must be funded.

FMDC assumes that it would fulfill the obligations of currently existing leases, but would not be able to renew or extend those leases. OA-FMDC assumes that these obligations in Lease and State-owned would be covered by general revenue. Should this assumption prove incorrect, a significant fiscal impact could result to cover FMDC's obligations.

Officials at the **Department of Insurance, Financial Institutions, and Professional Registration (DIFP)** assume this proposal would result in a net \$0 fiscal impact based on the estimated transfer out of professional registration fees and transfer in of General Revenue Funds

ASSUMPTION (continued)

that would result in a \$0 effect on their organization.

Currently the fees for applications, examinations and certifications collected by the Division Professional Registration for geologist registrations are deposited into “The Board of Geologist Registration Fund”. This proposed legislation will require the fees for applications, examinations and certifications for geologist registrations be deposited in the state treasury to the credit of general revenue. Presently, the administrative cost to operate The Board of Geologist Registration is paid from the Geologist Registration Fund via a transfer into the Professional Registration Fee Fund appropriation. The new process created by this legislation will require an increase in the General Revenue transfer fund and a corresponding decrease in the Professional Registration Fee fund. The FY 2016 amount included in the Professional Registration Fee Fund appropriation for the Board of Geologist Registration is \$71,215. Assuming an annual 2.5% inflation rate the increase in the General Revenue transfer and corresponding decrease in Professional Registration transfer amount will be \$72,995 in FY2017, \$74,820 in FY 2018, and \$76,691 for FY 2019.

Officials at the **Department of Revenue, Office of Administration - Accounting, Office of Attorney General, Department of Economic Development, Department of Public Safety - Highway Patrol, and Department of Agriculture** each assume this proposal would not have a fiscal impact on their respective organizations.

**Oversight** assumes for fiscal note purposes, the intent of the proposed legislation is not to eliminate or dramatically impact, directly or indirectly, any department, division or programs currently offered. Also, Oversight assumes that funding may be redirected through General Revenue. Therefore, Oversight will show the fiscal impact as \$0 (all current programs are appropriated through the General Revenue Fund) or up to \$147,951,451 (no such appropriation from the General Revenue Fund is made) for FY17, \$0 (all appropriations) up to \$175,021,349 (no appropriations) for FY18, and \$0 (all appropriations) up to \$174,674,926 (no appropriations) for FY19.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
<b>GENERAL REVENUE</b>			
<u>Income</u> - DNR fees that now come into the General Revenue Fund	\$147,382,329	\$174,450,349	\$174,102,108
<u>Income</u> - DIFP - Professional Registration Fees now going to General Revenue	\$72,995	\$74,820	\$76,691
<u>Income</u> - DHSS - Hazardous Waste Fees - now going to General Revenue	\$372,904	\$372,904	\$372,904
<u>Income</u> - DHSS - Env. Radiation Monitoring - now going to General Revenue	\$123,223	\$123,223	\$123,223
<u>Transfer Out</u> - From the General Revenue Fund to the various state funds for continuation of various programs:	\$0 to...	\$0 to...	\$0 to....
DIFP - Professional Registration Fees	(\$72,995)	(\$74,820)	(\$76,691)
DHSS - Hazardous Waste	(\$372,904)	(\$372,904)	(\$372,904)
DHSS - Env. Radiation Monitoring	(\$123,223)	(\$123,223)	(\$123,223)
DNR - Multiple Programs	<u>(\$147,382,329)</u>	<u>(\$174,450,349)</u>	<u>(\$174,102,108)</u>
 <b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	 <b><u>\$0 or Up to \$147,951,451</u></b>	 <b><u>\$0 or Up to \$175,021,296</u></b>	 <b><u>\$0 or Up to \$174,674,926</u></b>

<u>FISCAL IMPACT - State Government</u> (continued)	FY 2017 (10 Mo.)	FY 2018	FY 2019
 <b>OTHER STATE FUNDS</b>			
<u>Transfer In</u> - From General Revenue for the continuation of various state programs	\$0 to <u>\$147,951,329</u>	\$0 to <u>\$175,021,296</u>	\$0 to <u>\$174,674,926</u>
 <u>Lossess - Funding and Fees</u>			
DIFP - Professional Registration Fees	(\$72,995)	(\$74,820)	(\$76,691)
DHSS - Hazardous Waste	(\$372,904)	(\$372,904)	(\$372,904)
DHSS - Env. Radiation Monitoring	(\$123,223)	(\$123,223)	(\$123,223)
DNR - Multiple Programs	<u>(\$147,382,329)</u>	<u>(\$174,450,349)</u>	<u>(\$174,102,108)</u>
 <b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>	 <b><u>\$0 or (Up to \$147,951,451)</u></b>	 <b><u>\$0 or (Up to \$175,021,296)</u></b>	 <b><u>\$0 or (Up to \$174,674,926)</u></b>
 <b>FEDERAL FUNDS</b>			
<u>Transfer In</u> - Federal Funds	\$0 Up to <u>\$78,100,132</u>	\$0 Up to <u>\$82,680,402</u>	\$0 Up to <u>\$52,680,402</u>
Federal Funds	\$0 Up to (\$34,197,304)	\$0 Up to (\$41,036,765)	\$0 Up to (\$41,036,765)
Abandoned Mine Reclamation	\$0 Up to (\$2,673)	\$0 Up to (\$3,207)	\$0 Up to (\$3,207)
Water and Wastewater Loan Fund	\$0 Up to <u>(\$43,900,335)</u>	\$0 Up to <u>(\$52,680,402)</u>	\$0 Up to <u>(\$52,680,402)</u>
 <b>TOTAL ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>	 <b><u>\$0</u></b>	 <b><u>\$0</u></b>	 <b><u>\$0</u></b>



FISCAL IMPACT - Local Government

FY 2017  
(10 Mo.)

FY 2018

FY 2019

\$0

\$0

\$0

FISCAL IMPACT - Small Business

Department of Health and Senior Services states funds from the Environmental Radiation Monitoring Fund appropriated to the Department of Health and Senior Services (DHSS), Bureau of Environmental Epidemiology (BEE) currently provides technical assistance to small businesses that may incidentally handle radioactive materials, such as scrap metal dealers and landfill operators. This assistance has included phone calls and travel to businesses statewide to assist with identification of naturally occurring radiological materials or improperly disposed radiological sources. DHSS also assists with identifying appropriate handling or disposal methods. These services would have to be reduced or eliminated if this funding source is eliminated and an appropriate substitute is not appropriated.

Office of Administration (OA) states it is very likely this will result in a delay for new businesses and modifications to existing businesses to obtain the necessary permits to begin construction and operation.

OA continues, if the DNR is left with insufficient appropriation authority under General Revenue to provide spending authority for the fee funds transferred to General Revenue Fund. Then DNR would not have resources necessary to review and issue permits required by federal law (e.g., air, wastewater, drinking water, and waste management). These businesses would be required to seek these permits from the U.S. EPA.

Also, OA states DNR's Solid Waste Management Program funds twenty (20) solid waste management districts which are small businesses, as well as approximately 400-600 subgrantees of the districts which are often small businesses, individuals and local governmental units. The districts received formula allocations of funds that would now be in the General Revenue Fund leaving DNR with no means to fund the districts. Further, school districts, which may be defined as small businesses, routinely receive scrap tire material playground and non-playground grants. With fees no longer provided to DNR, these grant programs would cease.

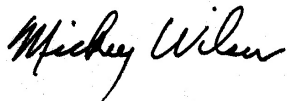
FISCAL DESCRIPTION

This act transfers certain fees, bond forfeitures, and penalties assessed by the Department of Natural Resources from dedicated funds managed by the Department of Natural Resources to general revenue.

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 Revenue  
Office of Administration - Accounting  
Office of Administration - Budget and Planning  
Office of Administration - Facilities Management, Design and Construction  
Office of Administration - Information Technology Services Division  
Office of Attorney General  
Department of Insurance, Financial Institutions, and Professional Registration  
Department of Economic Development  
Department of Public Safety  
Department of Agriculture



Mickey Wilson, CPA  
Director  
January 19, 2016

Ross Strope  
Assistant Director  
January 19, 2016