

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4591-02  
Bill No.: Perfected HCS for HB 1364  
Subject: Business and Commerce; Transportation; Motor Fuel  
Type: Original  
Date: March 7, 2018

---

Bill Summary: This proposal modifies provisions relating to hazardous waste fees paid to the Missouri Emergency Response Commission.

**FISCAL SUMMARY**

| <b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>  |                |                |                |
|--|----------------|----------------|----------------|
| <b>FUND AFFECTED</b>                                 | <b>FY 2019</b> | <b>FY 2020</b> | <b>FY 2021</b> |
|  |                |                |                |
| <b>Total Estimated Net Effect on General Revenue</b> | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>     |

| <b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>              |                  |                  |                  |
|---|------------------|------------------|------------------|
| <b>FUND AFFECTED</b>  | <b>FY 2019</b>   | <b>FY 2020</b>   | <b>FY 2021</b>   |
| Chemical Emergency Preparedness                               | \$720,833        | \$860,000        | \$860,000        |
|   |                  |                  |                  |
| <b>Total Estimated Net Effect on <u>Other</u> State Funds</b> | <b>\$720,833</b> | <b>\$860,000</b> | <b>\$860,000</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 2019</b> | <b>FY 2020</b> | <b>FY 2021</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 2019</b> | <b>FY 2020</b> | <b>FY 2021</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 2019</b> | <b>FY 2020</b> | <b>FY 2021</b> |
| <b>Local Government</b>                    | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>     |

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Public Safety - State Emergency Management Agency (SEMA)** state this proposal is the continuation of previously passed legislation that funds programs at the local and state levels for the prevention, planning and response to hazardous material (HAZMAT) incidents. Funding collected from HAZMAT facility Tier II fees provides training and resources for first responders as well as local emergency response officials working as part of a Local Emergency Planning Committee (LEPC). Below is a more detailed description of the program.

The Missouri Emergency Response Commission (MERC) was first established in 1987 by Executive Order of the Governor and was later established under statute in 1988 and revised in 1992. The commission resides under the Missouri Department of Public Safety (SEMA).

Businesses and facilities are required to annually submit Tier II forms under Section 312 of the federal Emergency Planning and Community Right-To-Know Act of 1986 (EPCRA). The purpose of this form is to provide State, local officials, and the public with specific information on potential hazards. This includes the locations, as well as the amount, of hazardous chemicals present at a facility during the previous calendar year.

Funds are received by MERC, processed and reallocated back to the local jurisdiction. Ten percent (10%) is allocated to the State Fire Marshall's office to be utilized for HAZMAT training to local responders. Sixty-five percent (65%) is returned to the counties, and twenty-five percent (25%) is retained by the MERC for administrative fees, LEPC planning and training on a state-wide level. The state fund is a restricted revenue account used to carry out the purposes, goals and objectives of SARA Title III and the MERC hazardous material safety program. It consists of several different fee structures with those being as low as \$50 for a retail petroleum facility to \$100 per chemical to a maximum of \$10,000 per company. There is also a fee requirement for pipeline companies of \$250 per county that they travel.

Division 10, Chapter 11 of the Rules of Public Safety title 11 CSR 10-11.210 established a statewide hazardous materials safety program, created the Missouri Emergency Response Commission (MERC) and provided for the creation of Hazardous Materials Emergency Response accounts in each county. It also created a supplemental emergency preparedness funding base for chemical emergency preparedness at the county and state levels based upon the fees collected from facilities. These fees enable the LEPC to prepare offsite response plans, acquire response team equipment, develop public "Right-to-Know" education programs, conduct chemical industry awareness and compliance programs, and conduct relevant training, drills and

ASSUMPTION (continued)

exercises.

Officials from the **Department of Public Safety - Division of Fire Safety** state this proposed legislation extends the sunset of the hazardous waste fees paid to the Missouri Emergency Response Commission and deposits those monies into the Chemical Emergency Preparedness Fund. By statute, the Missouri Division of Fire Safety is appropriated 10% of the fees collected, up to \$100,000 annually. Those fees average \$80,000.

The Division of Fire Safety uses this appropriation to contract with various fire fighter training partners to provide hazardous materials training each year. In FY16, the Division of Fire Safety expended \$81,000 to provide 31 hazardous materials related classes to 1,281 fire fighters across the state. In FY17 the Division of Fire Safety expended \$81,693 to provide 33 hazardous materials related classes to 1,253 fire fighters across the state. In FY18, the Division of Fire Safety has contracted with two training partners for a total of \$79,642 to provide hazardous materials training to the fire fighters of our state. It is projected similar course and student enrollment numbers will result.

Officials from the **Department of Health and Senior Services**, the **Department of Natural Resources**, and the **Department of Transportation** each assume the proposal would not fiscally impact their respective agencies.

**Oversight** notes that Section 292.604, RSMo states that “fees collected by the commission under Section 292.606 shall be placed in the chemical emergency preparedness fund.” According to the Fiscal Year End Fund Activity report from the Office of the State Treasurer, the receipts into the Chemical Emergency Preparedness Fund (0587) for the last three fiscal years have been:

|         |                |
|---------|----------------|
| FY 2017 | \$891,355      |
| FY 2016 | \$879,050; and |
| FY 2015 | \$823,746      |

Therefore, Oversight will assume an average annual collection of \$865,000 into the fund. The current statutes state the fees shall be collected “for a period of six years from August 28, 2012.” Therefore, authority to collect the fees ends on August 28, 2018. The new language states that the fee shall be collected “for a period of six year from August 28, 2018.” Oversight will reflect 10 months of fee collections in FY 2019 (August 28, 2018 - June 30, 2019) and a full year of fees in FY 2020 and FY 2021.

ASSUMPTION (continued)

As stated by DPS-SEMA, these funds are distributed to various state and local governmental agencies. For simplicity in the fiscal note, Oversight will only show the continuation of the funding into the state fund and not the annual distributions.

| <u>FISCAL IMPACT - State Government</u>   | FY 2019<br>(10 Mo.)     | FY 2020                 | FY 2021                 |
|---|-------------------------|-------------------------|-------------------------|
| <b>CHEMICAL EMERGENCY<br/>PREPAREDNESS FUND</b>   |                         |                         |                         |
| <u>Income - extension of fee collecting authority in §292.606 from 8/28/18 to 8/28/2024</u> | <u>\$720,833</u>        | <u>\$860,000</u>        | <u>\$860,000</u>        |
| <b>ESTIMATED NET EFFECT TO THE<br/>CHEMICAL EMERGENCY<br/>PREPAREDNESS FUND</b>             | <b><u>\$720,833</u></b> | <b><u>\$860,000</u></b> | <b><u>\$860,000</u></b> |
| <br>  |                         |                         |                         |
| <u>FISCAL IMPACT - Local Government</u>   | FY 2019<br>(10 Mo.)     | FY 2020                 | FY 2021                 |
|   | <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.

FISCAL DESCRIPTION

Currently, certain provisions relating to fees collected for the transportation and delivery of petroleum products are due to expire on August 28, 2018. This bill extends the expiration date to August 28, 2024.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

L.R. No. 4591-02  
Bill No. Perfected HCS for HB 1364  
Page 6 of 6  
March 7, 2018

SOURCES OF INFORMATION

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

Ross Strobe

A handwritten signature in black ink, appearing to read "Ross Strobe".

Acting Director  
March 7, 2018