

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4761-02
Bill No.: Truly Agreed To and Finally Passed HCS for SB 659
Subject: Department of Natural Resources; Sewers and Sewer Districts; Utilities; Water Resources and Water Districts; Parks and Recreation; Environmental Protection
Type: Original
Date: June 21, 2018

Bill Summary: This proposal modifies provisions relating to the Department of Natural Resources.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND				
FUND AFFECTED	FY 2019	FY 2020	FY 2021	New Termination Date December 31, 2023
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses. This fiscal note contains 22 pages.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS				
FUND AFFECTED	FY 2019	FY 2020	FY 2021	New Termination Date December 31, 2023
Hazardous Waste Management Fund	Could exceed \$220,500	Could exceed \$591,000	Could exceed \$591,000	Could exceed \$220,500
Petroleum Storage Tank Insurance Fund	\$0	\$0	\$5,750,000	\$11,500,000
Radioactive Waste Investigation Fund	\$0	\$0	\$0	\$0
Solid Waste Management Fund - Coal Combustion Residual Subaccount	\$2,032,823	(\$4,986)	(\$10,119)	(\$15,317)
Technology Fund	(\$70,000)			
Water Protection Fund	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
Total Estimated Net Effect on Other Funds	Up to \$2,183,323	Up to \$586,014	Up to \$6,330,881	Up to \$11,705,183

ESTIMATED NET EFFECT ON FEDERAL FUNDS				
FUND AFFECTED	FY 2019	FY 2020	FY 2021	New Termination Date December 31, 2023
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)				
FUND AFFECTED	FY 2019	FY 2020	FY 2021	New Termination Date December 31, 2023
Solid Waste Management Fund - Coal Combustion Residual Subaccount	6 FTE	6 FTE	6 FTE	6 FTE
Total Estimated Net Effect on FTE	6 FTE	6 FTE	6 FTE	6 FTE

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

ESTIMATED NET EFFECT ON LOCAL FUNDS				
FUND AFFECTED	FY 2019	FY 2020	FY 2021	New Termination Date December 31, 2023
Local Government	\$0	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§253.147

Oversight notes this section requires the Department of Natural Resources to submit a report to the General Assembly regarding maintenance, repair and construction of state parks.

Officials from the **Department of Natural Resources (DNR)** and **Office of Administration - Facilities Management, Design and Construction** each assume the proposal will have no fiscal impact on their respective organizations.

§260.242

Officials from the **Department of Natural Resources (DNR)** assume this proposal provides authority for DNR to promulgate rules by December 31, 2018, applicable to Coal Combustion

Residuals (CCR) surface impoundments including a provision to assess a one-time fee of \$62,000 or \$48,000 per CCR unit not permitted as a utility waste landfill, and promulgate CCR landfill rules establishing a process for assessing and collecting an annual fee of \$15,000 per a CCR unit subject to 40 CFR 257.

§260.242

Due to the catastrophic collapse of large volume surface impoundments, the U.S. Environmental Protection Agency (EPA) published the final order of rule-making for the "Disposal of Coal Combustion Residuals from Electric Utilities" on April 17, 2015. This federal CCR rule governs disposal and management of fly ash, bottom ash, boiler slag, and flue gas desulfurization materials generated from the combustion of coal at electric utilities. This rule finalizes national minimum criteria for existing and new CCR landfills and surface impoundments which are similar to those for municipal solid waste landfills. The current Missouri CCR law and regulations fall short of equivalency with this new federal rule.

Missouri is the 12th largest coal energy producing state in the United States. Based on information compiled by DNR staff, there are currently nineteen (19) utilities in Missouri which have coal-fired power plants. An assessment of CCR surface impoundments in Missouri identified forty-four (44) CCR impoundments at sixteen (16) sites in Missouri (not all plant sites have surface impoundments). The final rule allows for self-implementation and self-reporting via the Internet by owners/operators of utility waste landfills and surface impoundments.

ASSUMPTION (continued)

Because of the nature and volume of these waste materials, ground and surface water can become contaminated if the waste materials are mismanaged and a public nuisance can be created through improper handling and disposal of the mountains of fly ash generated each year by these facilities.

The federal CCR rule is self-implementing; no federal or state permit is required of a CCR landfill or surface impoundment to operate. Owner/operators are expected to maintain operational transparency through disclosure of certain information on a publicly accessible Internet website. Such information must demonstrate compliance with the federal rule. The bill would provide authority to DNR to promulgate adequate rules by December 31, 2018, for addressing both CCR landfills and surface impoundments and fund DNR oversight.

§260.242

- Establishes the general authority for DNR to conduct rule-making in order to establish a state CCR program and allows for the use of risk-based decision making for management, closure, and post-closure of CCR units.
- Establishes a time-frame for promulgating rules applicable to CCR surface impoundments and establishes certain limitations related to those rules regarding applicability.
- Establishes a time-frame for promulgating rules applicable to utility waste and CCR landfills and establishes certain limitations related to those rules regarding applicability.
- Authorizes DNR to work with CCR units through guidance and enforceable agreements until the rule-making in subsection 1 is effective.
- Establishes a one-time enrollment fee of \$62,000 per applicable CCR unit.
- Establishes a one-time enrollment fee of \$48,000 per applicable CCR unit that has completed closure under 40 CFR 257 prior to December 31, 2018.
- Establishes an annual fee of \$15,000 per applicable CCR unit.
- Establishes the "Coal Combustion Residuals Subaccount".
- Requires interest earned by the funds within the subaccount to remain within the subaccount.
- Provides DNR authority to conduct rule-making related to the above fees.
- Grants DNR authority to pursue interest of past due fees until payment is made.
- Allows DNR to pursue penalties for failure to report and/or pay fees.

The proposed language includes a provision requiring an annual report detailing costs incurred in connection with the management and closure of CCR units.

ASSUMPTION (continued)

Funding provided by the one-time enrollment fee is intended to establish the initial long term operating fund for the Department to oversee the full 30 year post-closure period associated with these CCR units. Further, an annual fee is intended to cover the ongoing operational costs associated with oversight of the CCR program.

CCR Program Implementation

In order to fully implement the permitting program as required by the federal CCR rule, it is estimated that DNR would require a total of six (6) FTE.

Personnel

Position	FTE	Duties
Environmental Engineer I/II (at \$58,896 annually)	2	Permit modifications, groundwater monitoring reviews, groundwater corrective action planning and oversight, Inspections, website review, new cell construction review and analysis
Environmental Specialist I/II/III (at \$52,116 annually)	1	Groundwater monitoring, groundwater report reviews, inspections as needed
Environmental Specialist I/II/III (at \$52,116 annually)	2	Quarterly inspections for each of the 37 ponds, beneficial use inspections, investigation efforts
Geologist I/II/III (at \$56,520 annually)	1	Groundwater monitoring, groundwater corrective action, and geological and hydrological assessments for the siting of new CCR units

ASSUMPTION (continued)

Revenue

Unit Description	Count of Units	One Time Fee \$62,000/unit	One Time Fee \$48,000/Unit	Annual Fee \$15,000/unit
Active/Not Yet Constructed Landfills	9	N/A		\$135,000
Operating Impoundments	26	\$1,612,000		\$390,000
Impoundment Closed after 10-19-2015 (subject to CFR)	5	N/A	\$240,000	N/A
Total	40	\$1,612,000	\$240,000	\$525,000

	Number of CCR Units	2019	2020	2021
One-time fee (\$48,000/unit)	5	\$240,000	N/A	N/A
One-Time Fee (\$62,000/unit)	26	\$1,612,000	N/A	N/A
Annual Fee (\$15,000/unit)	35	\$525,000	\$525,000	\$525,000
Total		\$2,377,000	\$525,000	\$525,000

ASSUMPTION (continued)

§§260.262

Officials at the **Department of Natural Resources (DNR)** assume the following regarding this proposal:

Section 260.262 RSMo establishes the fifty cent fee on lead-acid batteries in Missouri. The fee is deposited into the Hazardous Waste Fund and is a significant component of the funding for the Hazardous Waste Program. The fee generates approximately \$741,000 annually to the Hazardous Waste Fund. The fee is currently set to expire on December 31, 2018. This proposal would extend the sunset date to December 31, 2023, a five year extension.

Section 260.262(5). This proposal will extend the \$0.50 fee on the sale of lead-acid batteries for five years from December 31, 2018 through December 31, 2023. Less collection costs by the retailer and the Department of Revenue, the department estimates approximately \$741,000 will be collected for the lead-acid battery fee annually as revenue to the Hazardous Waste Fund.

Oversight will show a positive fiscal impact in FY 2019 of \$370,500 based on the proposal which extends the fee beginning December 31, 2018. Oversight will show positive fiscal impacts in FY 2020 and FY 2021 in the amount of \$741,000.

Officials from the **Department of Health and Senior Services (DHSS)** assume the following regarding this proposal:

Section 260.262 of the proposed legislation extends the sunset on the collection of the lead-acid battery fee deposited into Hazardous Waste Fund until 2023.

Section 260.262.(5) allows the state to continue to collect revenue from fees on lead-acid batteries sold in the state. The Hazardous Waste Fund supports the Childhood Lead Poisoning Prevention Program, Health Risk Assessment Program, and Radon Assessment Program. Without the proposed legislation, revenues to the Hazardous Waste Fund would be reduced. This would result in fewer funds available for DHSS for activities such as working with parents and property owners to identify sources of lead exposure in homes with lead-poisoned children; determining potential health risks in communities where hazardous substance releases have occurred and providing recommendations for health protective actions; and assessing radon risks in homes and schools statewide.

DHSS's current appropriation from the Hazardous Waste Fund (0676) is \$275,665.

ASSUMPTION (continued)

Section 260.380 of the proposed legislation adds an August 28, 2024, sunset provision to DNR hazardous waste generator fees that are deposited in the Hazardous Waste Fund.

Section 260.475 of the proposed legislation adds an August 28, 2024, sunset provision to hazardous waste land disposal fees that are deposited in the Hazardous Waste Fund.

The DHSS receives an appropriation from the Hazardous Waste Fund for various public health programs (Childhood Lead Poisoning Prevention Program, Health Risk Assessment Program, and Radon Assessment Program). The sunset proposed in both Sections 260.380 and 260.475 would reduce fees into the fund by approximately \$500,000 per year (per DNR website: <https://dnr.mo.gov/env/hwp/forum/fee-stakeholder.htm>). With the reduction in revenue to the fund, it is unknown if the appropriations to DHSS from this fund would continue.

§§260.391 & 260.558

Officials at the **Department of Natural Resources (DNR)** assume the following regarding this proposal:

Section 260.558.1 would establish the "Radioactive Waste Investigation Fund" and the state treasurer would be the custodian of the fund. The money would be used solely by the Department of Natural Resources to investigate concerns of exposure to radioactive waste upon written request by a local governing body. The request is to include a specified area of concern and any documentation related to the area of concern. The investigation may be performed by state or federal agencies, or by contractors selected through a bidding process. The Department will work with the applicable government agency or contractor to develop a sampling and analysis plan to determine if radioactive contaminants in the area of concern exceed federal standards for remedial action due to contamination. The samples shall be analyzed for the isotopes necessary to correlate the samples with the suspected contamination, as described in the sampling and analysis plan. Because the transfer to the fund for this work is capped at \$150,000 per fiscal year, the extent of sampling and analysis work required under this legislation is unknown, but will not be more than \$150,000 per fiscal year.

This legislation is open to any location within the state where a local governing body makes a decision to write a written request to the Department of Natural Resources expressing concerns regarding radioactive waste contamination. Therefore, it is difficult to estimate how many areas of the state would request such an investigation, and specifically what radioactive isotopes would be of concern for a specific area. In addition, it should be noted that there is no one "federal

ASSUMPTION (continued)

standard for remedial action due to contamination". When a site is identified as having radiological contamination, site specific risk based values are established for cleanup. This legislation's reference to a federal standard does not address how to determine if a site is contaminated or not.

Section 260.558.2 would limit the transfer from the Hazardous Waste fund into the Radioactive Waste Investigation fund to \$150,000 per fiscal year. Any money remaining at the end of two years reverts back into the Hazardous Waste fund.

The proposed legislation does not have a sunset date. Therefore, it is assumed that any local governing body of the state could make a request at any point in the future. The proposed legislation does limit the maximum funding to \$150,000 per fiscal year. It is assumed this amount could be replenished into the fund annually as long as the requests and need to develop testing plans and sampling continued.

Currently, Hazardous Waste Fund expenditures annually exceed revenues by \$600,000 to \$1,800,000, eroding the fund balance. Based on current projections, the Department estimates the Hazardous Waste Fund will encounter fund solvency issues within the next 2-3 fiscal years.

§260.1150

This section establishes the Environmental Restoration Corporation Act.

Officials from the **Office of the Secretary of State (SOS)** state the following regarding this proposal:

SOS is a silo IT department. All changes to software would require working with a third party vendor and/or the Information Technology department.

SOS would have to conduct a business analysis in order to change the automated processes performed by our business software. The IT department would need to create new tables, reports, and software application process to allow "Environmental Restoration Corporations" to be a filing type for creation and amending, change the wording on certain screens through the online application, and update the current merge form. We anticipate a one-time cost to the Office of the Secretary of State of \$70,000 to change the current software operated by the Business Services Division.

ASSUMPTION (continued)

This would be a new entity type and thus require employees to learn a new desk. Based on expected use of this entity type, the new duties would be given to existing employees and increase the base compensation for each the amount of work load increase as equated to a .50 FTE. If the new entity type were to receive more use beyond projections, SOS would ask for a full time person to handle the increase in filings.

It is unknown how many Environmental Restoration Corporations will be created. However, each one created would need to register with our office.

Because this is a new filing type, SOS estimates 1 filing per month at an average filing fee of \$25.00 each. An estimated (without the tech fund fee) of \$200.00 (1 filing x 10 months = 10 filings yearly * \$20.00 average filing fee) would be deposited into General Revenue (GR). As this new filing type becomes more popular an estimated increase of 20% for FY 2020 and 25% increase for FY 2021.

Filing Fee breakdown:
\$20.00 for general revenue (GR)
\$ 5.00 for technology trust fund (TF)

FY2019

\$20 average GR filing fee
1 filing per month x 10 months = 10 yearly filings

10 (2019) filings x \$20 average filing fee = \$200 GR deposit

\$5 Tech Fund Fee per filing x 10 yearly filings = \$50 TF deposit

FY 2020

\$20 average GR filing fee
1 filing per month x 12 months = 12 yearly filings
12 yearly filings x 20% increase = 14 yearly filings (2020 filings)

14 (2020) filings * \$20 average filing fee = \$280 GR deposit
Annual Reports 10 (2019) * \$10 = \$100

\$5 Tech Fund Fee per filing x 14 creation filings = \$70 TF deposit
\$5 Tech Fund Fee per filing x 10 annual report filings = \$50 TF deposit

ASSUMPTION (continued)

FY 2021

\$20 average GR filing fee

1 filing per month x 12 months = 12 creation filings

12 yearly filings x 25% increase = 15 yearly filings (2021 filings)

15 (2021) filings * \$20 average filing fee = \$300 GR deposit

Annual Reports 19 (2019=10 & 2020=14) * \$10 = \$240 GR deposit

\$5 Tech Fund Fee per filing x 15 creation filings = \$75 TF deposit

\$5 Tech Fund Fee per filing x 24 annual report filings = \$120 TF deposit

Oversight notes the provisions in this proposal only apply to properties in seven counties in the state.

Oversight assumes SOS is provided with core funding to handle a certain amount of activity each year. Oversight assumes SOS could absorb the personnel costs related to this proposal. However, Oversight will reflect SOS' estimated impact of \$70,000 for IT services in FY 2019. Oversight will not reflect the revenue derived from the fees associated with the new filing type as it is minimal.

In addition, officials from the **Office of the Secretary of State (SOS)** assume many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act.

The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

ASSUMPTION (continued)

Officials from the **Department of Health and Senior Services** assume the proposal will not have a fiscal impact on their organization.

Officials from the **Office of the State Auditor (SAO)** assume a small number of public benefit corporations would be formed. The SAO assumes costs associated with audits resulting from this section could be absorbed through current appropriations.

If a significant number of audits result, the SAO may request additional future appropriations.

Oversight assumes SAO is provided with core funding to handle a certain amount of activity each year. Oversight assumes SAO could absorb the costs related to this proposal.

§319.129

Officials from the **Petroleum Storage Tank Insurance Fund Board of Trustees (PSTIF)** assume the proposal would require the Department of Revenue (DOR) to continue collecting the transport load fee for another five years. The PSTIF Board of Trustees funds 1 FTE at DOR to collect this fee at an annual cost of approximately \$44,000. No impact to general revenue.

The majority of funding for the PSTIF's liabilities comes from the transport load fee, currently assessed at \$20 per 8,000 gallons on all fuel used in Missouri. Actuarial estimates indicate the current cash balance in the trust fund, plus anticipated revenues through the "sunset date" of 12/31/20, will be insufficient to meet long-term liabilities for all claims already filed plus those expected to be filed prior to the "sunset date." The estimated shortfall is approximately \$35 million. The PSTIF Board is currently considering an increase in the transport load fee, but is prohibited from increasing the fee more than \$15 per year. Even if a \$15 increase is implemented in 2018 and again in 2019, and a \$10 increase in 2020, (to the maximum allowed by law), it is likely the Trust Fund would have unfunded liabilities and would run out of cash in future years while "claims run out" is being paid. The bill would mitigate this long-term solvency issue by authorizing continued revenue into the PSTIF for an additional five years.

If the PSTIF "sunset" on 12/31/20, it is anticipated most or all insured tank owners who have never had a leak or filed a claim will have their property tested for "old pollution;" all of these claims would be filed in the next 36 months.

If this bill is enacted, most or all of these claims would still likely be filed, but would be presented over a longer period of time; this would stretch payout of liabilities over more future years, which would affect the PSTIF's solvency in a positive way.

ASSUMPTION (continued)

In addition, because the PSTIF Board would continue to insure tank owners for five more years, additional future liabilities would be incurred for leaks at insured sites occurring after 12/31/2020, and additional administrative costs will be incurred for insuring tank sites and processing new claims.

Oversight notes the Petroleum Storage Tank Insurance Fund (0585) balance as of June 30, 2017 was \$49,752,551. Over the past three calendar years (2015 - 2017), an average of \$11.5 million was collected for transport load fees. Oversight will reflect this average as a revenue extension for FY 2021 (6 months) through FY 2026.

§319.140

Oversight notes this section establishes the Task Force on the Petroleum Storage Tank Insurance Fund which is required to submit a report to the General Assembly by December 31, 2018 regarding the efficacy, sustainability and administration of the Petroleum Storage Tank Insurance Fund. This section expires December 31, 2018.

Oversight assumes there will be no fiscal impact from this section.

§640.620

Officials from the **Department of Natural Resources (DNR)** assume the proposal will have no fiscal impact on their organization.

DNR states the Rural Sewer Grant (RSG) program had previously been funded by State Water Pollution Control Bond Funds authorized by Missouri Constitution, Article III, Sections 37 (e) and (g). The RSG program as it is today began in SFY 2015 and is funded by Clean Water Administration fees. DNR was aware of communities who would be faced with upgrades to meet more stringent permit requirements.

These grants can be utilized for two types of wastewater construction projects: construct facilities to connect unsewered areas to a central wastewater treatment and collection system, or to fund the costs to upgrade improvements to meet more stringent requirements. These grants are limited to public sewer districts, public water districts, and communities with less than 10,000 population with geographical restrictions.

DNR notes that five of the grants were issued during CY 2015, six during CY 2016 and four during CY 2017.

ASSUMPTION (continued)

The average amount of these grants is approximately \$256,000 and can range from \$19,000 to \$500,000.

Oversight assumes a \$0 to Unknown negative impact related to the increase in grant money available for certain individual water and sewer system projects.

Bill as a Whole

Officials from the **Joint Committee on Administrative Rules** state that the proposal is not anticipated to cause a fiscal impact to their agency beyond its current appropriation.

Officials from the **Department of Revenue, Department of Agriculture, Department of Labor and Industrial Relations, Office of the State Treasurer, Administrative Hearing Commission, St. Louis County** and the **Metropolitan St. Louis Sewer District** each assume the proposal will have no fiscal impact on their respective organizations.

Officials from the **Attorney General's Office (AGO)** assume that any potential costs arising from this proposal can be absorbed with existing resources. AGO may seek additional appropriations if there is a significant increase in litigation.

FISCAL IMPACT -
State Government

	FY 2019 (6 Mo.)	FY 2020	FY 2021	New Termination Date December 31, 2023
HAZARDOUS WASTE FUND				
<u>Revenue - DNR - lead-acid battery fee (\$260.262)</u>	\$370,500	\$741,000	\$741,000	\$370,500
<u>Transfer Out - to Radioactive Waste Investigation Fund (\$260.391)</u>	(Up to <u>\$150,000</u>)	(Up to <u>\$150,000</u>)	(Up to <u>\$150,000</u>)	(Up to \$150,000)
ESTIMATED NET EFFECT ON THE HAZARDOUS WASTE FUND	Could exceed <u>\$220,500</u>	Could exceed <u>\$591,000</u>	Could exceed <u>\$591,000</u>	Could exceed <u>\$220,500</u>
PETROLEUM STORAGE TANK INSURANCE				
<u>Revenue - PSTIF Board of Trustees - Extension of transport load fee from 12/31/2020 to 12/31/2025 (\$319.129)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$5,750,000</u>	<u>\$11,500,000</u>
ESTIMATED NET EFFECT ON THE PETROLEUM STORAGE TANK INSURANCE FUND	<u>\$0</u>	<u>\$0</u>	<u>\$5,750,000</u>	<u>\$11,500,000</u>

FISCAL IMPACT -
State Government
(continued)

FY 2019
(6 Mo.)

FY 2020

FY 2021

New Termination Date
December 31, 2023

**RADIOACTIVE
 WASTE
 INVESTIGATION
 FUND**

Transfer In - from
 Hazardous Waste
 Fund (\$260.391)

Up to
 \$150,000

Up to
 \$150,000

Up to \$150,000

Up to \$150,000

Cost - DNR - to
 investigate concerns
 of exposure to
 radioactive waste -
 costs include soil
 samples, dust
 samples, design of
 testing plan, contract
 labor, etc. - limited
 to \$150,000 per year
 per (\$260.558.2)

(Up to
\$150,000)

(Up to
\$150,000)

(Up to
\$150,000)

(Up to \$150,000)

**ESTIMATED NET
 EFFECT ON THE
 RADIOACTIVE
 WASTE
 INVESTIGATION
 FUND**

\$0

\$0

\$0

\$0

FISCAL IMPACT -

<u>State Government</u> (continued)	FY 2019 (6 Mo.)	FY 2020	FY 2021	New Termination Date December 31, 2023
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**SOLID WASTE
 MANAGEMENT
 FUND - COAL
 COMBUSTION
 RESIDUALS
 SUBACCOUNT**

<u>Revenue</u> - DNR - fees for CCR units (\$260.242)	\$2,377,000	\$525,000	\$525,000	\$525,000
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<u>Costs</u> - DNR				
Personal Services	(\$165,330)	(\$333,967)	(\$337,306)	(\$340,679)
Fringe Benefits	(\$103,043)	(\$163,916)	(\$164,908)	(\$165,910)
Equipment and Expense	(\$75,804)	(\$32,103)	(\$32,905)	(\$33,728)
<u>Total Expenses</u> - DNR	<u>(\$344,177)</u>	<u>(\$529,986)</u>	<u>(\$535,119)</u>	<u>(\$540,317)</u>
FTE Change - DNR	6 FTE	6 FTE	6 FTE	6 FTE

**ESTIMATED NET
 EFFECT ON THE
 SOLID WASTE
 MANAGEMENT
 FUND - COAL
 COMBUSTION
 RESIDUAL
 SUBACCOUNT**

	<u>\$2,032,823</u>	<u>(\$4,986)</u>	<u>(\$10,119)</u>	<u>(\$15,317)</u>
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Estimated Net FTE Change on the Solid Waste Management Fund - Coal Combustion Residual Subaccount	6 FTE	6 FTE	6 FTE	6 FTE
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FISCAL IMPACT -

<u>State Government</u> (continued)	FY 2019 (6 Mo.)	FY 2020	FY 2021	New Termination Date December 31, 2023
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**TECHNOLOGY
FUND**

<u>Cost</u> - SOS - IT services (\$260.1150)	<u>(\$70,000)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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**ESTIMATED NET
EFFECT ON THE
TECHNOLOGY
FUND**

	<u>(\$70,000)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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**WATER
PROTECTION
FUND**

<u>Cost</u> - DNR - Possible increase in grant totals due to increase in per connection grant limit from \$1,400 to \$3,000 (\$640.620)	\$0 to <u>(Unknown)</u>	\$0 to <u>(Unknown)</u>	\$0 to <u>(Unknown)</u>	\$0 to <u>(Unknown)</u>
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**ESTIMATED NET
EFFECT ON THE
WATER
PROTECTION
FUND**

	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>
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<u>FISCAL IMPACT -</u>				New Termination
<u>Local Government</u>	FY 2019	FY 2020	FY 2021	Date
	(6 Mo.)			December 31, 2023
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Retail facilities that sell lead-acid batteries will continue to collect the fee as allowed under this legislation and transfer the fees and remittance reports to the Department of Revenue. They will continue to retain 6% of the fees for collection costs.

Small businesses that purchase lead-acid batteries will continue to be subject to the \$.50 fee on each battery purchased.

FISCAL DESCRIPTION

This proposed legislation extends from December 31, 2018, to December 31, 2023, the \$.50 fee that is collected on the retail sale of a lead-acid battery as well as the fees for any hazardous waste generated.

The proposed bill directs DNR to amend or create regulations that are as protective but not more restrictive (with limited exceptions) than 40 CFR Part 257 or successor regulations promulgated under Section 1008(a)(3) and 4004(a) of the Resource Conservation and Recovery Act (RCRA).

Beginning January 1, 2019, the Department of Natural Resources may require each owner, operator, or permittee of a coal combustion residual (CCR) unit to pay a fee. For units that are not closed, the DNR may assess an enrollment fee of \$62,000 per unit, and a fee of \$48,000 for unit that are closed. DNR may assess an annual fee of \$15,000. Fees will be credited to the Coal Combustion Residuals Subaccount of the Solid Waste Management Fund.

This program is a duplicate of the Department of Natural Resources' Solid Waste Management Program which currently implements the laws and regulations applying to utility waste landfills under the authority of the Missouri Solid Waste Management Law and regulations. Landfills where coal combustion residuals are disposed of are classified as utility waste landfills under state statutory and regulatory definitions and are subject to regulation accordingly.

FISCAL DESCRIPTION (continued)

The proposed legislation changes the maximum amount of a grant that may be issued by the Department of Natural Resources for financing certain utility projects from \$1,400 per connection to \$3,000 per connection.

The proposed legislation allows a public benefit nonprofit corporation to hold, manage or own environmentally impaired property that is subject to ongoing cleanup or remedial action under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), the Missouri Hazardous Waste Management Law, the Federal Water Pollution Control Act, or the Missouri Clean Water Law for the purpose of facilitating efforts to restore and redevelop such property. Such nonprofit corporation shall have certain powers, and be managed by a board, as set forth in this act . If any such corporation receives public funds with restoration activity, the corporation shall also allow for reasonable periodic audits and shall provide an annual report to the General Assembly concerning the receipt and use of such public funds.

Prior to acquiring any interest in real property, such nonprofit corporation shall undertake all reasonable and appropriate due diligence activities in accordance with U.S. Environmental Protection Agency regulations in order to qualify as a purchaser.

If such nonprofit qualifies as a purchaser, such corporation shall be immune from any liability under the Missouri Hazardous Waste Management Law, provisions relating to solid waste, or the Missouri Clean Water Law for any conditions that may exist on such property. Such corporation shall also have no duty of care or liability for any trespasser on such property.

The proposed legislation creates the Task Force on the Petroleum Storage Tank Insurance Fund.

This bill creates the "Radioactive Waste Investigation Fund" to be used by the Department of Natural Resources to investigate concerns of exposure to radioactive waste. Upon request of a local governing body, the department will use the money in the fund to investigate and collect soil and dust samples. The department will work with local officials to design a testing plan, including collecting at least 500 samples within a one-mile radius, that will provide conclusive evidence to determine if the area is contaminate, and report the results to the body that requested the investigation. The maximum transfer of \$150,000 each fiscal year is authorized from the Hazardous Waste Fund.

Currently, the Petroleum Storage Tank Insurance Fund is set to expire on December 31, 2020, after which claims made prior to such date may continue to be paid. This act extends such expiration to December 31, 2025.

FISCAL DESCRIPTION (continued)

This legislation is not federally mandated 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 Labor and Industrial Relations
Office of the Secretary of State
Joint Committee on Administrative Rules
Department of Revenue
Petroleum Storage Tank Insurance Fund Board of Trustees
Department of Agriculture
Office of the State Treasurer
State Auditor's Office
Administrative Hearing Commission
Attorney General's Office
Metropolitan St. Louis Sewer District
St. Louis County

Ross Strope



Acting Director
June 21, 2018