

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5045-01
Bill No.: Perfected SB 706
Subject: Fees; Department of Natural Resources; Department of Revenue; Waste - Hazardous
Type: Original
Date: March 27, 2018

Bill Summary: This proposal extends the expiration of the lead-acid battery fee from December 31, 2018 to December 31, 2023.

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 |

| 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 | \$370,407 | \$740,814 | \$740,814 | \$370,407 |
| | | | | |
| Total Estimated Net Effect on Other State Funds | \$370,407 | \$740,814 | \$740,814 | \$370,407 |

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

| 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 |
| | | | | |
| | | | | |
| Total Estimated Net Effect on FTE | 0 | 0 | 0 | 0 |

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

Officials at the **Department of Natural Resources (DNR)** assume this proposal would have a positive fiscal impact on their organization.

Hazardous Waste Management

DNR states Section 260.262(5) of 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.

The estimate of \$741,000 is based on a total of 1,641,876 batteries subject to the \$0.50 cent fee.

Oversight will show a positive fiscal impact in FY 2019 of \$370,407 (6 months) 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 \$740,814. Oversight will show a positive fiscal impact of \$370,407 based on the new termination date of December 31, 2023 because it cannot be assumed this fee will be extended beyond this date.

Officials from the **Department of Health and Senior Services (DHSS)** assume the proposed legislation 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.

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.

ASSUMPTION (continued)

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.

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.

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 Transportation, Summersville R-2 School District, Kirksville R-III Schools and West Plains Schools** each assume the proposal will have no fiscal impact on their respective organizations.

| | | | | |
|-------------------------|---------|---------|---------|----------------------|
| <u>FISCAL IMPACT -</u> | FY 2019 | | | New Termination Date |
| <u>State Government</u> | (6 Mo.) | FY 2020 | FY 2021 | December 31, 2023 |

**HAZARDOUS
WASTE FUND**

| | | | | |
|---|------------------|------------------|------------------|------------------|
| <u>Revenue - DNR -</u> lead-acid battery fee | <u>\$370,407</u> | <u>\$740,814</u> | <u>\$740,814</u> | <u>\$370,407</u> |
|---|------------------|------------------|------------------|------------------|

**ESTIMATED NET
EFFECT ON THE
HAZARDOUS
WASTE FUND**

| | | | | |
|--|------------------|------------------|------------------|------------------|
| | <u>\$370,407</u> | <u>\$740,814</u> | <u>\$740,814</u> | <u>\$370,407</u> |
|--|------------------|------------------|------------------|------------------|

| <u>FISCAL IMPACT -</u> | | | | New Termination Date |
|-------------------------|------------|------------|------------|----------------------|
| <u>Local Government</u> | FY 2019 | FY 2020 | FY 2021 | 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 bill 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.

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

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SOURCES OF INFORMATION

Department of Natural Resources
Department of Health and Senior Services
Office of the Secretary of State
Attorney General's Office
Joint Committee on Administrative Rules
Department of Revenue
Department of Transportation
Summersville R-2 School District
Kirksville R-III Schools
West Plains Schools

Ross Strobe

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

Acting Director
March 27, 2018