

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4404-02
Bill No.: SB 822
Subject: Environmental Protection; Fees; Department of Natural Resources; Waste - Solid
Type: Original
Date: February 18, 2020

Bill Summary: This proposal modifies provisions relating to solid waste forfeiture funds.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
General Revenue	(Could exceed \$1,159,726)	(Could exceed \$129,700)	(Could exceed \$129,700)
Total Estimated Net Effect on General Revenue	(Could exceed \$1,159,726)	(Could exceed \$129,700)	(Could exceed \$129,700)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Post Closure Fund	Could exceed \$1,159,726	Could exceed \$129,700	Could exceed \$129,700
Total Estimated Net Effect on <u>Other</u> State Funds	Could exceed \$1,159,726	Could exceed \$129,700	Could exceed \$129,700

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on FTE	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 2021	FY 2022	FY 2023
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

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

Oversight notes that the agency mentioned above has stated the proposal would not have a direct fiscal impact on the organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for this agency.

Officials from the **Office of the State Treasurer** assume the fiscal impact of this proposal is unknown due to lost interest in the fund being credited to the General Revenue fund.

In response to another proposal from this year (HB 2206), the STO noted the average rate of return on their investments is 2.875%. Therefore, on the \$1,034,976 amount transferred from General Revenue to the new fund, **Oversight** will assume \$29,700 of interest ($\$1,034,976 \times 2.875\%$) will be credited to the new fund instead of General Revenue.

Oversight inquired how much is currently in the General Revenue fund from forfeited funds from solid waste facilities.

DNR notes the following amounts:

Wat Park Sanitary Landfill	\$43,109.27
Midwest Method Sanitary Landfill	\$99,422.50
Henderson Sanitary Landfill	\$71,186.69
Northwest Sanitary Landfill	\$39,806.61
Peerless Demolition Landfill - St. Louis County	\$83.26
Rye Creek Landfill	\$204,741.99
The Links of Stone Canyon (Woods Chapel and Jackson County Landfills)	\$496,593.06
Edward Mehl	\$70,932.34
Kale	\$9,100.55
Total	\$1,034,976.27

Source: DNR

ASSUMPTION (continued)

Oversight assumes \$1,034,976 will be transferred from the General Revenue fund to the newly established Post Closure Fund. Oversight also assumes additional revenue from forfeited funds from solid waste facilities will be deposited into the Post Closure Fund in future years. Oversight is unable to determine how much revenue will be deposited into the fund; however, Oversight assumes it could exceed \$100,000.

Oversight notes DNR has stated there are no forfeited funds from scrap tires, scrap tire end-user facilities, and scrap tire processing facilities currently being held in the General Revenue Fund.

<u>FISCAL IMPACT - State Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
GENERAL REVENUE FUND			
<u>Transfer Out</u> - forfeited funds from solid waste facilities to the Post Closure Fund	(\$1,034,976)	\$0	\$0
<u>Loss</u> - Interest credit	(\$24,750)	(\$29,700)	(\$29,700)
Loss forfeited funds from solid waste facilities	<u>(Could exceed \$100,000)</u>	<u>(Could exceed \$100,000)</u>	<u>(Could exceed \$100,000)</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(Could exceed \$1,159,726)</u>	<u>(Could exceed \$129,700)</u>	<u>(Could exceed \$129,750)</u>
POST CLOSURE FUND			
<u>Revenue</u> - forfeited funds from solid waste facilities	Could exceed \$100,000	Could exceed \$100,000	Could exceed \$100,000
<u>Revenue</u> - Interest credited	\$24,750	\$29,700	\$29,700
<u>Transfer In</u> - forfeited funds from solid waste facilities from General Revenue	<u>\$1,034,976</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON THE POST CLOSURE FUND	Could exceed <u>\$1,159,726</u>	Could exceed <u>\$129,700</u>	Could exceed <u>\$129,700</u>

FISCAL IMPACT - Local Government

FY 2021
(10 Mo.)

FY 2022

FY 2023

\$0

\$0

\$0

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

Under current law, solid waste forfeiture funds are placed into the General Revenue Fund. Under this act, such funds shall be placed into the Post Closure Fund created in the act. Any forfeited funds from solid waste facilities, including scrap tire end-user facilities and scrap tire processing facilities, currently held in the General Revenue Fund shall be transferred to the Post Closure Fund.

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
Office of the State Treasurer



Julie Morff
Director
February 18, 2020



Ross Strope
Assistant Director
February 18, 2020