

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4340S.04C
Bill No.: SCS for SB 918
Subject: Boards, Commissions, Committees, Councils; Fees; Department of Natural Resources; Waste - Hazardous
Type: Original
Date: March 29, 2022

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 2023	FY 2024	FY 2025
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Hazardous Waste Fund	(\$131,667)	(\$158,000)	(\$158,000)
Total Estimated Net Effect on Other State Funds	(\$131,667)	(\$158,000)	(\$158,000)

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Total Estimated Net Effect on FTE	0	0	0

- Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

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

§260.373.1(3)(a) – Removes the thresholds for determining generator status.

The Environmental Protection Agency (EPA) has different thresholds than Missouri for generator status. Negotiations took place that exempted the thresholds of generator status from the implemented “no stricter than” provision in a previous amendment to this statute. Removing this exemption would require the Department to remove the “or accumulate” portion of generator status from 10 CSR 25-3.260 Definitions, Modifications to Incorporations and confidential Business Information. This would change the structure of how Hazardous Waste Fees are calculated and the total amount collected.

It is assumed that all large and small quantity generators who reported generating less than 1.3205 tons of hazardous waste during the July 1, 2019 to June 30, 2020 and the July 1, 2020 to June 30, 2021 reporting years would change their status to conditionally exempt small quantity generators (CESQG) and would not pay the registration fee and would also not pay the In-State Waste Fee (\$200 assumed for calculation, although a small number could have been assessed \$206.10).

It is assumed that all large and small quantity generators that did not pay an In-State waste fee in both of those years would change their status to CESQG and would not pay the registration fee.

2020 Reporting Year

71 sites paid \$206.10 = \$14,633.10
576 sites paid \$200.00 = \$115,200
Total 2020 Reduction = \$129,833.10

2021 Reporting Year*

60 sites paid \$206.10 = \$12,366
548 sites paid \$200.00 = \$109,600
Total 2021 Reduction = \$121,966

Total 2 year reduction = \$251,799.10
Average annual reduction = \$125,899.55
Round to **\$130,000**

*There are a greater than normal number of generators that have not yet filed reports. These revenue estimates will increase once reporting is final. (the estimates are rounded up to \$140,000).

Registration Renewal Fee

Sites Moving from LQG to SQG or CESQG

80 sites

LQG 80 sites @ \$500 = \$40,000

SQG or CESQG 80 sites @ \$150 = \$12,000

Resulting Reduction = **\$28,000**

Total Fiscal Impact = **\$158,000**

Oversight does not have information to the contrary and therefore, Oversight will reflect the estimates as provided by DNR.

Oversight notes the Hazardous Waste Fund (0676) had a balance of \$11,169,409 as of February 28, 2022.

Officials from the **Department of Economic Development (DED)** assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for DED.

Rule Promulgation

Officials from the **Joint Committee on Administrative Rules** assume this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials from the **Office of the Secretary of State (SOS)** note 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 \$5,000. 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 its 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.

<u>FISCAL IMPACT – State Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025
HAZARDOUS WASTE FUND (0676)			
<u>Loss</u> – DNR – reduced fees for hazardous waste generators p. 3-4	<u>(\$131,667)</u>	<u>(\$158,000)</u>	<u>(\$158,000)</u>
ESTIMATED NET EFFECT ON THE HAZARDOUS WASTE FUND	<u>(\$131,667)</u>	<u>(\$158,000)</u>	<u>(\$158,000)</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

Small hazardous waste businesses could be impacted as a result of this proposal.

FISCAL DESCRIPTION

This act modifies provisions relating to the Department of Natural Resources.

Under the act, the Hazardous Waste Management Commission shall not promulgate rules that are stricter than, apply prior to, or apply mandatory obligations outside of the requirements of regulations promulgated pursuant to the Resource Conservation and Recovery Act.

The act repeals the Commission's authority to retain, modify, or repeal rules relating to:

1. Thresholds for determining whether a hazardous waste generator is a large quantity generator, small quantity generator, or conditionally exempt small quantity generator;
2. Rules requiring hazardous waste generators to display hazard labels on containers and tanks during the time hazardous waste is stored on-site;
3. The exclusion for hazardous secondary materials used to make zinc fertilizers; and
4. The exclusions for hazardous secondary materials that are burned for fuel or that are recycled.

The Commission shall promulgate rules for the reporting of hazardous waste activities to the Department of Natural Resources, effective beginning with the reporting period July 1, 2017-June 30, 2018, that allow for the submittal of reporting data in any format on an annual basis by large quantity generators and treatment storage and disposal facilities.

The act also repeals a requirement that the Department identify certain rules relating to hazardous waste in the Missouri Code of State Regulations that are inconsistent with certain rules promulgated by the Commission.

On December 31, 2017, any rule relating to hazardous waste, resource recovery, or used oil contained in the Missouri Code of State Regulations that remains inconsistent with certain rules promulgated by the Commission shall be null and void to the extent that such rule is inconsistent, and the least stringent rule shall control. Any rule that applies mandatory obligations outside of the requirements of certain federal regulations promulgated pursuant to Subtitle C of the Resource Conservation and Recovery Act, as amended, shall be null and void.

Except for provisions of law relating to voluntary remediation of contaminated real property, the Commission shall not promulgate rules that are stricter than, apply prior to, or apply mandatory obligations outside of the requirements of certain federal regulations promulgated pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, for provisions of law relating to abandoned or uncontrolled sites. The Commission shall file with the Missouri Secretary of State any amendments necessary to ensure that rules are not inconsistent with the provisions of the act. Any rule that is inconsistent with provisions of the act or applies mandatory obligations outside of the federal regulations shall be null and void.

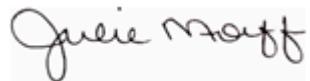
Except for provisions of law relating to voluntary remediation of contaminated real property, the Director of the Department of Natural Resources shall not promulgate rules that are stricter than, apply prior to, or apply mandatory obligations outside of the requirements of certain federal regulations promulgated pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, for provisions of law relating to the cleanup of hazardous substances. The Director shall file with the Missouri Secretary of State any amendments necessary to ensure that rules are not inconsistent with the provisions of the act. Any rule that is inconsistent with provisions of the act or applies mandatory obligations outside of the federal regulations shall be null and void. (Sections 260.373, 260.437, 260.520)

In instances where the Department of Natural Resources has authority to issue penalties and determines that a penalty should be levied, the Department is required to provide information as set forth in the act to the alleged violator in order for the alleged violator to understand the basis for the penalty. Any statement provided by the Department in compliance with this provision shall be treated as confidential information and shall not be disclosed to any party except the alleged violator. (Section 640.095).

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 Economic Development
Office of the Secretary of State
Joint Committee on Administrative Rules



Julie Morff
Director
March 29, 2022



Ross Strope
Assistant Director
March 29, 2022