

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5077S.06F
Bill No.: SS for SCS for HCS for HB 2485
Subject: Environmental Protection; Lakes, Rivers, and Waterways; Natural Resources, Department of; Waste, Solid; Waste - Hazardous
Type: Original
Date: May 5, 2022

Bill Summary: This proposal modifies provisions relating to environmental regulation.

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

Due to time constraints, **Oversight** was unable to receive some agency responses in a timely manner and performed limited analysis. Oversight has presented this fiscal note on the best current information that we have or on information regarding a similar bill(s). Upon the receipt of agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek approval to publish a new fiscal note.

§§260.200 & 260.205 – Advanced Recycling

In response to a previous version, officials from the **Department of Natural Resources** assumed the proposal would have no fiscal impact on their organization.

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

§§260.221 & 644.060 – Asphalt Shingle Recycling

In response to a previous version, officials from the **Department of Natural Resources** assumed the proposal would have no fiscal impact on their organization.

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

§§260.373, 260.437, 260.520 & 640.095 – Department of Natural Resources Provisions

In response to a previous version, officials from the **Department of Natural Resources (DNR)** assumed 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

576 sites paid \$200.00 = \$115,200

Total 2020 Reduction = \$129,833

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

Average annual reduction = \$125,900

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 – §260.373 - §260.520 - 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 recycling businesses and small hazardous waste businesses could be impacted as a result of this proposal.

FISCAL DESCRIPTION

This proposal modifies provisions relating to environmental regulation.

This legislation is not federally mandated and would not require additional capital improvements or rental space.

This legislation will duplicate existing statutory language that already exempts certain recycling businesses from being required to obtain a solid waste permit.

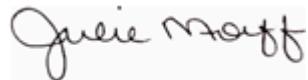
SOURCES OF INFORMATION

Department of Natural Resources

Department of Economic Development

Office of the Secretary of State

Joint Committee on Administrative Rules



Julie Morff

Director

May 5, 2022



Ross Strope

Assistant Director

May 5, 2022