

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1652S.02I
Bill No.: SB 481
Subject: Mining and Oil and Gas Production; Federal - State Relations
Type: Original
Date: April 3, 2023

Bill Summary: This proposal modifies provisions relating to the distribution of revenue from mineral mining on federal land.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
General Revenue	(\$79,002)	(\$16,195)	(\$16,600)
Total Estimated Net Effect on General Revenue	(\$79,002)	(\$16,195)	(\$16,600)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
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 2024	FY 2025	FY 2026
Local Government*	\$0	\$0	\$0

*Income to remain the same; only the distribution between counties will change

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Missouri Department of Agriculture (MDA), Office of Administration - Budget and Planning, Department of Natural Resources, Missouri Department of Conservation and Missouri Department of Transportation** each assume the proposal will have no fiscal impact on their respective organizations.

Oversight notes that the above mentioned agencies have 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 agencies.

Officials from the **Department of Elementary and Secondary Education (DESE)** assume that this will require programming changes to the foundation formula to comply with the new language. OA-ITSD provided an estimate to make the necessary changes. It's assumed the Foundation Formula application has calculation criteria covering this language/source of funds, being that it's related to an act of Congress from 1908. It's assumed that this application needs modification to handle changes as proposed, and that the application can withstand the changes to the calculations and functionality. It's also assumed no additional data is needed to provide these revisions to district funding inside/within the Foundation Formula application/processes in place today.

The additional cost is estimated to be \$79,002 in FY 2024, \$16,195 in FY 2025 and \$16,600 in FY 2026.

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

Upon further inquiry, MDA notes the department has not received any payments from the National Forest Receipts Program. **Oversight** looked at reports from the United States Department of Agriculture – Forest Service regarding the Secure Rural Schools program. It appears that the last payment made to Missouri was in 2016 in the amount of \$1,089,471 and was distributed to several counties in which the Mark Twain National Forest is located:

Carter	Bollinger	Ozark	Howell	Butler	Barry
Texas	Taney	Stone	Ste. Gen.	Wright	Douglas
Christian	Washington	Ripley	Iron	Callaway	Boone
Phelps	Oregon	Laclede	Wayne	Reynolds	Crawford
Shannon	St. Francois	Madison	Dent	Pulaski	

It appears that each county received an average of \$0.71 - \$0.73 per acre of Mark Twain National Forest within their county, with the exception of Ste. Genevieve County (\$1.40 per acre) and Shannon County (\$0.64 per acre).

Oversight notes this proposal changes the distribution of these funds among these counties.

Oversight only reflects the responses received from state agencies and political subdivisions; however, county commissioners were requested to respond to this proposed legislation but did not. A listing of political subdivisions included in the Missouri Legislative Information System (MOLIS) database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
GENERAL REVENUE FUND			
<u>Cost – DESE – programming changes</u>	<u>(\$79,002)</u>	<u>(\$16,195)</u>	<u>(\$16,600)</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(\$79,002)</u>	<u>(\$16,195)</u>	<u>(\$16,600)</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
COUNTIES			
<u>Counties - where mining occurs</u>	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Counties – where mining does not occur</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>
ESTIMATED NET EFFECT ON COUNTIES	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

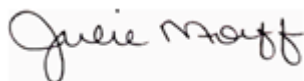
This bill specifies that moneys received by the state under provisions of the federal law for all mineral products extracted from national forest reserves are to be distributed for the benefit of public schools and roads.

The revenue allocated to each county shall be equally divided between the public schools and roads of such county. The bill requires 85% of the total revenue of such mineral products shall be distributed to counties where mining occurs in proportion to the minerals extracted per year in each county where mining occurs and 15% of the total revenue of such mineral products shall be distributed equally between the counties where mining does not occur. The revenue allocated to each county shall be equally divided between the public schools and roads of such county.

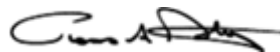
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Missouri Department of Agriculture
Office of Administration - Budget and Planning
Department of Elementary and Secondary Education
Department of Natural Resources
Missouri Department of Conservation
Missouri Department of Transportation



Julie Morff
Director
April 3, 2023



Ross Strope
Assistant Director
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