

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0251H.08C  
Bill No.: HCS for SS for SCS for SB 82  
Subject: Water Resources and Water Districts; Department of Natural Resources  
Type: Original  
Date: April 28, 2025

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Bill Summary: This proposal creates provisions relating to water resources.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
General Revenue*	(\$696,974)	(\$208,614)	(\$212,155)
<b>Total Estimated Net Effect on General Revenue</b>	<b>(\$696,974)</b>	<b>(\$208,614)</b>	<b>(\$212,155)</b>

\*Oversight notes the Department of Natural Resources requires 2 FTE and development costs for a tracking system for water exportation permits (\$640.406).

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
State Facility Maintenance and Operations Fund (0501)*	(\$357,421)	(\$436,851)	(\$444,956)
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>(\$357,421)</b>	<b>(\$436,851)</b>	<b>(\$444,956)</b>

\*Oversight notes cost for additional 2 FTE required by OA-FMDC to implement (\$160.077).

Numbers within parentheses: () indicate costs or losses.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Federal Funds*	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\*Income and distributions net to zero.

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
General Revenue	2 FTE	2FTE	2 FTE
State Facility Maintenance and Operations Fund (0501)	2 FTE	2 FTE	2 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>4 FTE</b>	<b>4 FTE</b>	<b>4 FTE</b>

☒ 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.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
<b>Local Government*</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\*§160.077 reflects the transfer in from federal funds and costs to school districts for lead remediation net to zero.

## FISCAL ANALYSIS

### ASSUMPTION

#### §68.080 – Waterways and Ports Trust Fund

Officials from **Office of Administration - Budget and Planning** state that Section 68.080 would expand the use of the Waterways and Ports Trust Fund to eligible projects located on land owned by the St. Louis Port Authority. This fund receives funding through a general revenue transfer and any other gifts, contributions, grants, or bequests.

**Oversight** notes Section 68.080 was added by SB 138 in 2023. Oversight notes there was a balance of \$7,563,166 in the Waterways and Ports Trust Fund (0237) as of March 31, 2025.

#### §160.077 - Modifies the "Get the Lead Out of School Drinking Water Act"

**Oversight** notes in response to similar legislation, SB 68 (2025), DHSS provided that the testing program outlined in 701.200 RSMO was voluntary and has been superseded by the GLOS program/statutes.

DHSS provided the information on the table below that shows the expenditures of the GLOS program since implementation.

	SFY22	SFY23	SFY24	YTD SFY25	Total
<b>PS</b>	0	33,351.06	237,951.26	175,676.97	446,979.29
<b>EE</b>	0	-	8,302.57	17,100.73	25,403.30
<b>Total PS &amp; EE</b>		<b>33,351.06</b>	<b>246,253.83</b>	<b>192,777.70</b>	<b>472,382.59</b>
<b>GLOS School Invoices</b>	0		173,589.00	4,182,102.11	4,355,691.11
<b>TOTALS for All</b>	0	<b>33,351.06</b>	<b>419,842.83</b>	<b>4,374,879.81</b>	<b>4,828,073.70</b>

Upon further inquiry with DHSS, **Oversight** notes that the GLOS school invoices are reimbursed with federal monies.

**Oversight** notes, TAFP HB 3020 (2023) appropriated \$27 million for grants to schools for lead remediation from the Coronavirus State Fiscal Recovery – Health and Economic Impacts Fund (2463) which accounts for America Rescue Plan moneys.

Officials from the **Office of Administration - Facilities Management, Design and Construction (FMDC)** state that Section 160.077 requires schools that receive state funding are to provide drinking water with a lead concentration level below five parts per billion.

The Department of Elementary and Secondary Education (DESE) operates state schools that would need to meet this requirement. In order to be in compliance, the Office of Administration's Division of Facilities Maintenance, Design and Construction (OA-FMDC) would schedule lead testing at each DESE school to determine the lead concentration level. OA-FMDC would need additional staff and time to schedule the testing and track the results.

If the test results at a location are above the standard, the testing is required every five years. Those schools with water sources that test below the standard will require remediation which could consist of adding filters or replacing fixtures.

Once this work is completed, the source will need to be tested again to see if the standard has been met. OA-FMDC will need to track every water source at every school to determine which sources have been tested and met the standard or if a source requires remediation and track all testing for each source.

Based on reports from each DESE school, OA-FMDC has determined there are 1,048 sources that must be tested. OA-FMDC anticipates the cost per hour for testing, reporting and remediation to be \$24.81/hour and would take 2.00 Specialized Trades Workers to complete the test scheduling of 20% of all sources annually and providing maintenance so that each source tests above the standard. The tracking of each test and its pass/fail, additional testing required, maintenance work performed at each source and when other testing would be required would be completed by 0.50 Administrative Support Professional.

**Oversight** assumes the OA is provided with core funding to handle a certain amount of activity each year. Oversight assumes OA could absorb the costs for a partial FTE in the role of Admin Support Professional. If multiple bills pass which require additional staffing and duties at substantial costs, OA could request funding through the appropriations process. Therefore, Oversight will reflect the cost as estimated by OA for the two specialized trades workers in the fiscal note.

Officials from **Hume R-VIII** state that the district has already tested and made the necessary fixes where needed and plan to test again in five years.

In response to similar legislation, HCS for SS for SCS for SB 68 (2025), officials from **Washington School District** assumed with 11 different school buildings from an Early Learning Center, 7 Elementary Schools, Middle School, High School, and Career center, they initially tested 467 water outlets with 335 meeting the statutory level of 5 ppb or less. That testing cost and remediation cost the district over \$50,000 to exceed statutory levels that are higher than restaurant facilities are expected to be tested at. With this new bill, they are looking at the potential of an additional \$10,000-\$15,000.

**Oversight** notes the proposal requires that lead filters meet the standards set by the Department of Natural Resources (DNR). Oversight has no way to determine how many filters would need to be replaced or installed with each school district. Oversight assumes that there will be an

unknown cost to school districts if their test proves the water source is contaminated. Oversight will reflect a zero or unknown cost to schools to install new filters in the fiscal note.

**Oversight** assumes there will be a cost for school buildings constructed after January 4, 2014, which were not required to install, maintain, and replace filters but would now have to conduct maintenance and replace filters to be in compliance. Oversight was unable to determine how many schools this would affect. Therefore, Oversight will reflect a zero or unknown cost to school districts in the fiscal note.

**Oversight** notes this proposal allows school districts to seek federal funds for reimbursement for compliance incurred under this proposal. Oversight will show a range of impact to Federal Funds of \$0 (no federal funds) to an unknown transfer from Federal Funds to school districts. The fiscal impact to school districts will net to zero if federal funds are available for reimbursement.

#### §640.406 – Water Preservation

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

Sections 640.406.3, 640.406.4, 640.406.5, 640.406.6, 640.406.7, 640.406.8, 640.406.9, 640.406.10, and 640.406.12. This legislation proposes to create a permitting program under the authority of the Soil and Water District commission. To estimate the fiscal impact of the proposal the department has assumed that 10 new permits would be issued each year through the process outlined in the proposal.

The permitting technical work in preparation of a recommendation from the department to the commission would be conducted by the Water Resources Center (WRC) in the Missouri Geological Survey (MGS). This allows the department to have existing WRC managers supervise these permitting, technical, and data management activities.

The WRC program would require 1.0 FTE to conduct the permitting technical work, which includes conducting analysis of current and future uses to be impacted, drafting conditions and provisions where necessary to prohibit impact to current and future uses as applicable, drafting the recommended decision, and drafting the statement of basis for the decision. Additional duties would also include technical work associated with any major water user export permit reevaluation request filed with the department.

Further, to implement the legislation by informing permitting decisions, reporting quarterly to the commission, tracking water reporting of annual withdrawal from exempt water exporters, and evaluating the state's water resources beneficial uses; a database/permit submission/major water user re-evaluation request tracking system will need to be built and maintained by the state. This would include initial development costs of around \$500,000 and an MGS-WRC data manager/technical expert at 1.0 FTE to track and manage data related to all facets of water use in MO and to evaluate necessary export permit decisions because of a drought emergency. This

data management work would consolidate and display existing water data usage information from other sources such as major water users and public drinking water as well as create new data categories for other beneficial uses.

This will facilitate better understanding and analysis of the data to be used during the initial permitting and 3-year renewal process as well as quarterly reports to the commission. The processing of the permitting decision administratively includes public notice of draft permits, entering data, processing letters, and facilitating approvals of department management.

Notification of reporting requirements to exempt exporters and permitting notifications to the county commission are additional administrative duties to be conducted. The additional administrative work required by this proposed legislation would include commission admin support, meeting scheduling, travel logistics, expense processing for commissioners, and other administrative duties which will be absorb in the Soil and Water Conservation Program's current administrative support for the commission with assistance from the WRC administrative support. DNR is anticipating 2 additional meetings will be needed to accommodate the reviews of the permits to adhere to the timeline specified. These expenses are estimated at \$3,000.

**DNR** notes the following:

1. The public cost estimates are in current year dollars.

2. Projection Assumptions:

- To estimate the fiscal impact of the proposal the department has assumed that 10 new permits would be issued each year through the process outlined in the proposal.
- FY 26 reflected as earliest potential effective date of rule
- Amount realistically reflects planned expenditures (ie, entry-level salary range):
- \$57,768 annually reflects salary for Environmental Program Analyst role.
- Salary adjusted to reflect 10 months (\*10/12) in accordance with an effective date of August 28.
- When calculating salaries, an inflationary factor of 1.0% is applied to the 2nd and 3rd fiscal years.

3. Rulemaking has the potential to result in additional economic impacts that are unknown at this time.

4. Anticipated duties of the Environmental Program Analyst include: developing and reviewing administrative rules; improving permit processing efficiency, timely issuance of permits, and maintaining the accuracy and quality of permit related data in state and federal systems used to track permitting actions, generate reports, and monitor state and federal performance metrics and goals; coordinate and participate in public meetings, including present information to and gather feedback from stakeholders, permittees, and the general public on matters relating to water exportation permits and applicable state regulations; coordinate with internal units, sections,

programs, and regional offices of the Department as well as external private, state, and federal agencies

**Oversight** does not have any information to the contrary. Therefore, Oversight will reflect the estimated impact by DNR in the fiscal note.

Officials from the **Office of Administration - Budget and Planning** state that Section 640.406 creates a Water Exportation Permit, but does not include any fees, funds, or the creation of rules.

In response to a previous version, officials from the **Office of Attorney General (AGO)** assumed any potential litigation costs arising from this proposal can be absorbed with existing resources. However, the AGO may seek additional appropriations if the proposal results in a significant increase in litigation or investigation.

**Oversight** does not have any information to the contrary. Therefore, Oversight assumes the AGO will be able to perform any additional duties required by this proposal with current staff and resources and will reflect no fiscal impact to the AGO for fiscal note purposes.

Officials from the **City of Kansas City** assume the proposed legislation has no fiscal impact as long as the City is not required to build any infrastructure to export water and, in addition, the City would recommend/require that any infrastructure cost to export water should be the responsibility of the person/entity outside of Missouri that is withdrawing the water.

In response to a previous version, the **City of Kansas City** stated that the city also has an emergency inter-connect agreement with BPU in Kansas where the city can supply them with water, and vice versa, in times of extreme shortage. The city is still concerned that the bill would require BPU, or any Kansas entity that may wish to export water from the city in emergency cases, to have to apply for a permit.

In response to a previous version, officials from the **Morgan County Public Water Supply District #2**, and the **City of O'Fallon** assumed the proposal will have no fiscal impact on their organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

#### Bill as a whole

Officials from the **Department of Revenue** state that Sections 68.080, 160.077, and 640.406 do not pertain to the DOR and therefore will not have a fiscal impact. **Oversight** does not have any information to the contrary and will reflect a zero impact in the fiscal impact on this agency

Officials from the **Department of Health and Senior Services**, **Missouri Senate**, the **Missouri House of Representatives**, the **Department of Elementary and Secondary Education**, the **Missouri Department of Conservation**, the **Missouri Department of Agriculture**, the **Missouri Department of Transportation**, and the **Department of Commerce and Insurance**

will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Officials from the **South River Drainage District - 7D Levee, the Metropolitan St. Louis Sewer District - 7B Sewer, the St. Charles County PWS#2 - 7A Water, and the Wayne County PWS#2** each assume the proposal each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

In response to a previous version, officials from the **Office of the Governor, the Office of the State Treasurer, the Morgan County Public Water Supply District #2, and the City of O'Fallon** assumed the proposal will have no fiscal impact on their organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

**Oversight** only reflects the responses received from state agencies and political subdivisions; however, other water supply districts and local political subdivisions 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.

#### 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 2026 (6 Mo.)	FY 2027	FY 2028
<b>GENERAL REVENUE FUND</b>			
<u>Costs – DNR §640.406 – p. 5-6</u>			
Personnel Service	(\$96,280)	(\$117,847)	(\$120,204)
Fringe Benefits	(\$64,909)	(\$78,817)	(\$79,762)
Expense & Equipment	(\$35,785)	(\$11,950)	(\$12,189)
<u>Total Costs - DNR</u>	<u>(\$196,974)</u>	<u>(\$208,614)</u>	<u>(\$212,155)</u>
FTE Change - DNR	2 FTE	2 FTE	2 FTE
<u>Cost – DNR/ITSD – initial development costs §640.406 – p. 5-6</u>	<u>(\$500,000)</u>	<u>\$0</u>	<u>\$0</u>
<b>ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND</b>	<b><u>(\$696,974)</u></b>	<b><u>(\$208,614)</u></b>	<b><u>(\$212,155)</u></b>
Estimated Net FTE Change on the General Revenue Fund	2 FTE	2 FTE	2 FTE
<b>STATE FACILITY MAINTENANCE AND OPERATIONS FUND (0501)</b>			
<u>Costs – OA §160.077 p. 3-5</u>			
Personnel Service	(\$117,005)	(\$143,214)	(\$146,078)
Fringe Benefits	(\$73,216)	(\$88,984)	(\$90,132)
Expense & Equipment	(\$167,200)	(\$204,653)	(\$208,746)
<u>Total Costs – OA</u>	<u>(\$357,421)</u>	<u>(\$436,851)</u>	<u>(\$444,956)</u>
FTE Change - OA	2 FTE	2 FTE	2 FTE
<b>ESTIMATED NET EFFECT ON STATE FACILITY MAINTENANCE AND OPERATING FUND</b>	<b><u>(\$357,421)</u></b>	<b><u>(\$436,851)</u></b>	<b><u>(\$444,956)</u></b>
Estimated Net FTE Change on State Facility Maintenance and Operations Fund	2 FTE	2 FTE	2 FTE

<u>FISCAL IMPACT – State Government</u>	FY 2026 (6 Mo.)	FY 2027	FY 2028
<b>FEDERAL FUNDS</b>			
<u>Income</u> – program reimbursements §160.077 p. 3-5	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Transfer Out</u> - to school districts for funding for filtration, testing, and other remediation efforts - §160.077 p. 3-5	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
<b>LOCAL POLITICAL SUBDIVISIONS</b>			
<u>Transfer In</u> - from Federal Funds §166.077 p.3-5	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Costs</u> - to school districts for lead filtration, testing, and other remediation efforts - §160.077 p.3-5	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS*</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

\*Oversight notes the transfer in from federal funds and costs to school districts for lead remediation net to zero.

#### FISCAL IMPACT – Small Business

There could be a fiscal impact on small businesses if a lawsuit for water exportation permit violations are brought against them as a result of this proposal.

## FISCAL DESCRIPTION

Sections 68.080 – Waterways and Ports Trust Fund & 640.406 – Water Preservation

This act requires that a Missouri port authority have requested funds for statutorily permitted port purposes before funds may be withdrawn from the Waterways and Ports Trust Fund.

The act also specifies that port projects located on land owned by the City of St. Louis and managed by a Missouri port authority, or within an adjacent waterway, may be eligible for an appropriation from the fund, provided the other conditions of the fund are met.

The Director of the Department shall review each water exportation permit application and all supporting documents to ensure the required conditions have been met prior to accepting a water exportation application for public comment and review by the Missouri Water Resources Commission. The required conditions are described in the act.

Within 120 days after receipt of a complete application, the Director shall determine whether the applicant complied with the conditions under the act. After making such a determination, the Director shall hold a 30-day public comment period regarding the determination. Within 60 days after the comment period, the Director shall recommend approval or denial of the permit. The recommendation and public comments shall be submitted to the Commission. The Commission shall make the final decision as to the approval or denial of the permit as described in the act.

To renew a water exportation permit, an applicant shall file a renewal application with the Department as described in the act. The process for reviewing the renewal application is described in the act.

In the absence of an appeal, the decision of the Commission shall be final.

A water exportation permit shall be in effect for three years after the date of issuance. The permit holder shall annually report the water use volumes and withdrawal rates to the Department.

The water exportation permit application shall include all water exportation requested by the applicant. The water exportation permit may be approved by the Director or the Commission. An applicant may include multiple water withdrawals for export from various locations within one water exportation permit application.

A water exportation permit application shall include a designee or agent in the state for service of process and to receive other notices.

A major water user may request the Department to reevaluate any existing water exportation permit using the criteria under the act. The Department shall create a mechanism for a major water user to submit a request for reevaluation of the permit as described in the act.

The act shall not preclude a person from bringing any claim to defend the person's water rights. A permit shall not serve as a defense to any claim brought against a water permit holder for the infringement of water rights.

If the Attorney General receives a complaint for violations of the act, or at the request of the Department, the Attorney General shall bring a civil action. Suit may be brought in any county where the defendant's principal place of business is located or where the withdrawal of water occurred in violation of the act.

Whenever a state of emergency is declared by the Governor in any part of the state based on drought conditions, the Department shall reevaluate any existing water exportation permit as described in the act.

§160.077 - Modifies the "Get the Lead Out of School Drinking Water Act"

This language modifies the "Get the Lead Out of School Drinking Water Act" and the definitions of "drinking water outlet" and "remediation". A "drinking water outlet" now includes outlets that are used for cleaning cooking or eating utensils and "remediation" now excludes flushing and adds filtering the water. The language requires that lead filters met the standards set by the Department of Natural Resources and allow for the removal of a water outlet from service as an option if lead contamination is discovered. This language specifies that if all drinking water outlets in a school have test results of less than five parts per billion for lead, the school is only required to be tested every five years.


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 Administration

- Budget and Planning
- Facilities Management, Design and Construction

Department of Revenue  
Department of Commerce and Insurance  
Department of Elementary and Secondary Education  
Department of Health and Senior Services  
Missouri Department of Transportation  
Missouri Department of Agriculture  
Office of the State Treasurer  
Missouri Department of Conservation  
Office of the Secretary of State  
Joint Committee on Administrative Rules  
Office of the Governor  
Missouri House of Representatives  
Missouri Senate  
Attorney General's Office  
City of Kansas City  
City of O'Fallon  
Hume R-VIII  
Washington School District  
Metropolitan St. Louis Sewer District  
South River Drainage District - 7D Levee  
St. Charles County Public Water Supply District #2  
Wayne County Public Water Supply District #2  
Morgan County Public Water Supply District #2



Julie Morff  
Director  
April 28, 2025



Jessica Harris  
Assistant Director  
April 28, 2025