

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0251S.02I
 Bill No.: SB 82
 Subject: Environmental Protection; Department of Natural Resources; Lakes, Rivers, and Waterways; Attorney General; Boards, Commissions, Committees, and Councils
 Type: Original
 Date: January 29, 2025

Bill Summary: This proposal creates provisions relating to water exportation outside the state.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Water Pollution Permit Fee Subaccount Fund (0568)	(\$98,934)	(\$115,011)	(\$117,311)
Total Estimated Net Effect on <u>Other</u> State Funds	(\$98,934)	(\$115,011)	(\$117,311)

Numbers within parentheses: () indicate costs or losses.

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

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Water Pollution Permit Fee Subaccount Fund (0568)	1 FTE	1 FTE	1 FTE
Total Estimated Net Effect on FTE	1 FTE	1 FTE	1 FTE

- 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 2026	FY 2027	FY 2028
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§640.406 – Water Preservation

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

With permits being routed for issuance via the Clean Water Commission process, the public notice and issuance of the permit will increase workload for department team members. Additionally, Water Protection Program team members will have a strong coordination effort with the department's Water Resource Center regarding the development of applicable forms, tracking (expected to be Missouri Clean Water Information System (MoCWIS)), water quantity and quality studies (water quality for the potential impact to narrative conditions), impingement and infringement studies, fee development, regulation development, coordination with CWA 401 and 404 entities, and close coordination with the state hydrologist.

Due to the amount of high-level complex/technical coordination needed, the department will need one (1) FTE, an Environmental Program Specialist to process applications for permit issuance, coordinate with Water Resource Center team for water quantity studies and applicability, permit development and maintenance, close coordination with the state hydrologist on ensuring the permit to export is not causing negative quantity impacts, and tracking development coordination with the Data Management Unit.

Cost assumption:

One (1) Environmental Program Specialist at \$67,656*

The Department will not be able to absorb the costs related to this proposed legislation with the current level of budget authority and funding sources.

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

Officials from the **Missouri Department of Conservation, Missouri Department of Agriculture, Office of the Governor, Missouri House of Representatives and Missouri Senate** 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.

Officials from the **South River Drainage District, St. Charles County Public Water Supply District #2, Wayne County Public Water Supply District #2** and **Metropolitan St. Louis Sewer District** 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.

Officials from the **Morgan County Public Water Supply District #2** assume there will be a fiscal impact but did not indicate what that impact will be.

Officials from the **City of Kansas City** assume the legislation has no fiscal impact as long as the city is not required to build any infrastructure to export water. The city recommends that any infrastructure costs to export water should be the responsibility of the permit holder. 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.

Oversight is unable to determine any direct fiscal impact to these agencies. Oversight notes the proposal does not indicate a cost for the applicant to request a permit; therefore, Oversight will not reflect a fiscal impact.

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.

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
WATER POLLUTION PERMIT FEE SUBACCOUNT FUND (0568)			
<u>Costs - DNR</u>			
Personnel Service	(\$56,380)	(\$69,009)	(\$70,389)
Fringe Benefits	(\$33,952)	(\$41,557)	(\$42,388)
Expense & Equipment	(\$8,602)	(\$4,445)	(\$4,534)
<u>Total Costs - DNR</u>	<u>(\$98,934)</u>	<u>(\$115,011)</u>	<u>(\$117,311)</u>
FTE Change	1 FTE	1 FTE	1 FTE
ESTIMATED NET EFFECT ON THE WATER POLLUTION PERMIT FEE SUBACCOUNT FUND (0568)	<u>(\$98,934)</u>	<u>(\$115,011)</u>	<u>(\$117,311)</u>
Estimated Net FTE Change on the Water Pollution Permit Fee Subaccount Fund	1 FTE	1 FTE	1 FTE

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
	<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

Under the act, it shall be unlawful for any person to withdraw water from any water source, as defined in the act, for export outside the state of Missouri by a pipeline facility unless the person holds a water exportation permit issued by the Department of Natural Resources. A water exportation permit shall not be required to withdraw water from any water source for export outside the state where the withdrawal and ultimate end use are within the 6-digit hydrological unit code as defined by the U.S. Geological Survey and within 20-miles of the border of the state.

Before issuing the permit, the Director shall determine from the application and any supporting materials whether certain conditions have been met, as described in the act.

Within 180 days after the Department's receipt of an application for water exportation, the Director of the Department shall determine whether the conditions under the act are satisfied. If the conditions are satisfied, the Director shall make a recommendation to the Clean Water Commission for approval of the permit. Upon receipt of the Director's recommendation, the Commission at its next meeting shall indicate its approval or disapproval of the recommendation by a majority vote, as described in the act.

Any application for renewal of an active water exportation permit shall be filed at least 180 days prior to the expiration of an existing permit. In determining whether a recommendation for renewal is appropriate, the Director shall assess whether the conditions under the act are still satisfied.

Before granting access to a water resource for uses outside the state, the Director shall consider existing and proposed in-state uses to guarantee that in-state users have access to and use of all water to maintain an adequate supply for beneficial uses. The Director shall review the needs for water supply export every 5 years to determine whether the water supply continues to be adequate for beneficial uses within the state.

Provisions regarding the issuance of a water exportation permit are subject to the most recent reports, data, and information in consideration of each permit application, whether the application is for an initial permit or renewal of an active or expired permit. The review conducted under the act shall not be used to reduce the quantity of water authorized to be transferred pursuant to the active life of permits issued prior to such review.

On the filing of an application for a water exportation permit, the applicant shall designate an agent in the state for service of process and to receive other notices.

In the event of a conflict between the conditions of use required in Missouri and condition required in another state, the water permit holder shall consent to conditions imposed by the Director.

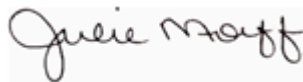
The time-limited, active life of the permit, not to exceed 5 years, requires the Director to determine whether there has been a substantial or material change relating to permit renewals. The Director may include additional conditions to address any substantial or material change during the permit renewal process. The Director may deny permit renewal applications as necessary based on any such substantial or material change.

At the request of the Department, the Attorney General may bring appropriate action to enforce provisions of the act. A cause of action may be brought in any county where the defendant's principal place of business is located or where the withdrawal of water occurred.

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
Missouri Department of Agriculture
Missouri Department of Conservation
Office of the Governor
Missouri House of Representatives
Missouri Senate
City of Kansas City
Metropolitan St. Louis Sewer District
South River Drainage District
St. Charles County Public Water Supply District #2
Wayne County Public Water Supply District #2
Morgan County Public Water Supply District #2



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January 29, 2025



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January 29, 2025