

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2038S.02I
Bill No.: SB 593
Subject: Attorney General; Environmental Protection; Department of Natural Resources;
Waste - Hazardous; Waste - Solid
Type: Original
Date: March 21, 2025

Bill Summary: This proposal creates provisions relating to battery recycling.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
General Revenue – DNR*	Could exceed (\$1,912,273)	Could exceed (\$2,015,796)	Could exceed (\$2,049,795)
Total Estimated Net Effect on General Revenue	Could exceed (\$1,912,273)	Could exceed (\$2,015,796)	Could exceed (\$2,049,795)

***Oversight** notes the Department of Natural Resources requires at minimum 20 FTE for administrative tasks, tracking, technical and environmental regulatory oversight via inspections, enforcement, report review, rule promulgation, and any other associated activities for the new Lithium Battery Recycling and Safety Act.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
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 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
General Revenue (DNR)	Could exceed 20 FTE	Could exceed 20 FTE	Could exceed 20 FTE
Total Estimated Net Effect on FTE	Could exceed 20 FTE	Could exceed 20 FTE	Could exceed 20 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

Section 701.155 - Lithium Battery Recycling and Safety Act

Officials for the **Department of Natural Resources (DNR)** state that the department anticipates there would be a minimum of 20 FTE need to an unknown fiscal impact to implement the new provisions.

The proposed bill language references the department will be responsible for oversight/review of annual reports, conducting enforcement, maintaining facility contact information/location, and promulgating rules. The department will be reviewing, commenting on, and approving the plan(s) submitted by the representative organizations or producers and all future annual reports. The department would ensure adequate record keeping. The department shall enforce the producer's or the representative organization's compliance with the battery recycling program. The types of businesses that sell batteries that are applicable to the bill language range from convenience stores to big box stores. The department will need at a minimum, an estimated FTE of 20 based upon approximately 24,000 locations being subject to reporting, enforcement, and general oversight. A web search shows there are approximately 2,600 convenience stores (associated with gas stations) and approximately 21,500 retail stores in Missouri that could be subject to reporting, enforcement, and general oversight. An increase in FTE will be needed for the department to provide this oversight, rulemaking, and enforcement.

Minimum number of FTE and corresponding classifications for this proposed legislation include: (1) Administrative Support Assistant, (15) Environmental Program Assistant/Analysts, (3) Environmental Program Supervisors, and (1) Environmental Program Manager. Duties will range from administrative tasks and tracking to technical and environmental regulatory oversight via inspections, enforcement, report review, rule promulgation, and any other associated activities.

Section 701.155. 4

The department shall enforce the representative organization's compliance with the plan under subsection 2 of this section and may, by regulation or by using existing regulations promulgated under section 260.230, 260.240, and 260.249, establish enforcement procedures and penalties.

Program authority would fall under solid waste regulation. Batteries are currently regulated under hazardous waste regulation. Battery management regulations are under 10 CSR 25-16.273. The department will need a minimum of one (1) Environmental Program Supervisor and four (4) Environmental Program Assistant/Analysts of the minimum of 20 FTE requested to enforce the representative organizations compliance. The actual number of total FTE is unknown as the number of newly regulated entities is unknown.

Section 701.155. 7

A person or an entity engaged in the manufacture, distribution, or sale of batteries shall be deemed to be in compliance with this section if, on the date a battery is offered for sale, the person or entity is listed on the department's website as being included in the program.

The department will need a minimum of one (1) Environmental Program Assistant/Analyst of the minimum of 20 FTE requested to maintain postings on the department website.

Section 701.155. 8

Any person may report violations of this section to the department. If the department finds that the person or entity engaged in the manufacture, distribution, or sale of batteries violated provisions of this section, the department shall pursue administrative actions or ask the Attorney General to commence civil action in a court of competent jurisdiction. If the court finds that the person or entity violated the provisions of this section, the court may grant injunctive relief, damages, attorney fees, and any such other relief the court finds appropriate.

The increase in FTE is unknown for implementation of this section of the proposed bill language, as the number of newly regulated entities is unknown.

The department notes that this could cause an increase in the need of FTE in the attorney general's office.

Section 701.155. 9

By June 1, 2027, and by June first of each following year, a representative organization shall submit an annual report to the department covering the preceding calendar year of the battery recycling program. The report shall contain the following...

The department will need a minimum of one (1) Environmental Program Supervisor and four (4) Environmental Program Assistant/Analysts of the minimum of 20 FTE requested to review the annual reports. The actual number of FTE is unknown as the number of representative organizations is unknown.

Section 701.155. 10.

The report under subsection 9 of this section shall be posted on the department's website and on the website of the representative organization.

The department will need a minimum of one (1) Environmental Program Assistant/Analyst of the minimum of 20 FTE requested to maintain postings on the department website.

Section 701.155. 11.

The department shall promulgate and maintain rules to implement the provisions of this section.

The department will be required to undergo a rulemaking to establish rules that implement the provisions of this section. This will likely involve informal and formal stakeholder meetings. The

department will need a minimum of one (1) Environmental Program Assistant/Analyst of the minimum of 20 FTE requested to promulgate and maintain these regulations.

Cost assumption

As the department is unable to quantify the number of potential locations subject to reporting, enforcement, and general oversight or representative organizations in Missouri nor the level of effort to administer the program, the department can identify, at a minimum, a need for 20 FTE.

Summary of Impact:

Environmental Program Analysts at an annual salary of \$57,768* (15 FTE for a total of \$866,520 to unknown)

Environmental Program Manager at an annual salary of \$61,464* (1 FTE for a total of \$61,464 to unknown)

Environmental Program Supervisor at an annual salary of \$53,760* (3 FTE for a total of \$161,280 to unknown)

Administrative Support Assistant at an annual salary of \$38,280* (1 FTE for a total of \$38,280 to unknown)

*Associated fringe and indirect costs are not included

Oversight does not have any information to the contrary. Therefore, Oversight will reflect a cost that could exceed the estimated impact by DNR for minimum 20 FTE in the fiscal note.

Officials from the **Office of Attorney General (AGO)** assume any potential litigation costs arising from this proposal can be absorbed with existing resources. The AGO may seek additional appropriations if the proposal results in a significant increase in litigation or investigation costs.

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.

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 (10 Mo.)	FY 2027	FY 2028
GENERAL REVENUE FUND (0101)			
<u>Cost – DNR - §701.155</u>	Could exceed	Could exceed	Could exceed
Personal Service	(\$939,620)	(\$1,150,095)	(\$1,173,097)
Fringe Benefits	(\$639,800)	(\$776,798)	(\$786,017)
Equipment and Expense	(\$332,853)	(\$88,903)	(\$90,681)
<u>Total Cost – DNR</u>	<u>(\$1,912,273)</u>	<u>(\$2,015,796)</u>	<u>(\$2,049,795)</u>
FTE Change –DNR	20 FTE	20 FTE	20 FTE
ESTIMATED NET EFFECT TO GENERAL REVENUE FUND	Could exceed <u>(\$1,912,273)</u>	Could exceed <u>(\$2,015,796)</u>	Could exceed <u>(\$2,049,795)</u>
Estimated Net FTE Change to the General Revenue Fund	Could exceed 20 FTE	Could exceed 20 FTE	Could exceed 20 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

There could be a fiscal impact to small businesses that engage in the manufacturing, distribution, or sale of batteries in the state.

FISCAL DESCRIPTION

The act creates the "Lithium Battery Recycling and Safety Act".

Under the act, any person or entity engaged in the manufacture, sales, or distribution of batteries in the state shall establish or join a representative organization, as defined in the act. The representative organization shall develop a plan for the establishment of a battery recycling program and submit it to the Director of the Department of Natural Resources for approval no less than every five years. Specifics of the plan are described in the act.

The Department shall enforce the representative organization's compliance with the plan pursuant to provisions of current law and establish enforcement procedures and penalties.

After a battery recycling program is implemented, a person or entity shall not manufacture, distribute, or sell batteries in the state unless the person or entity participates in the battery recycling program. The person or entity shall not charge a point-of-sale fee to consumers to cover the costs of the battery recycling program.

After the program is implemented, all batteries shall only be disposed into receptacles at collection sites approved by the program and shall not be disposed into household waste or recycle containers.

The person or entity shall be deemed to be in compliance with the act if the person or entity is listed on the Department's website as being included in the program on the date a battery is offered for sale.

Any person may report violations of this act to the Department. If the Department finds that the person or entity violated provisions of the act, the Department shall ask the Attorney General to commence a civil action. If the court finds that the person or entity violated provisions of the act, the court may grant relief as described in the act.

By June 1, 2027, and by June 1st of each following year, a representative organization shall submit an annual report to the Department covering the preceding calendar year of the battery recycling program. Specifics of the report are described in the act. The report shall be posted on the Department's and the representative organization's website.

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

Attorney General's Office
Department of Natural Resources
Office of the Secretary of State
Joint Committee on Administrative Rules



Julie Morff
Director
March 21, 2025



Jessica Harris
Assistant Director
March 21, 2025