

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5858S.01I
 Bill No.: SB 1397
 Subject: Boards, Commissions, Committees, and Councils; Fees; Lakes, Rivers and Waterways
 Type: Original
 Date: March 4, 2026

Bill Summary: This proposal modifies and creates new provisions relating to water regulation.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Natural Resources Protection -Water Pollution Permit Fee Subaccount Fund (1568)*	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
Total Estimated Net Effect on Other State Funds	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown

***Oversight** assumes the net effect is from removal of the clean water permit fee restriction allowing the Clean Water Commission stakeholders to adjust the fee schedules for clean water permits. Oversight assumes this could exceed the \$250,000 threshold.

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)

FUND AFFECTED	FY 2027	FY 2028	FY 2029
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 2027	FY 2028	FY 2029
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§§644.057 and 644.083 - Modifying and Creating New Provisions Relating to Water Regulation.

Officials from the **Department of Natural Resources (DNR)** assume the proposal will have no fiscal impact on their respective organization.

Oversight assumes proposal repeals a provision stating that the Clean Water Commission shall not adopt or recommend a clean water fee exceeding \$5,000. Therefore, Oversight will show a \$0 (no increase in the fee schedule) or an Unknown positive fiscal impact to the Natural Resources Protection -Water Pollution Permit Fee Subaccount (1568) that could exceed the \$250,000 threshold.

Oversight notes that the Natural Resources Protection -Water Pollution Permit Fee subaccount (1568) has a balance of \$32,705,764 as of February 28, 2026.

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
NATURAL RESOURCES PROTECTION -WATER POLLUTION PERMIT FEE SUBACCOUNT FUND (1568)			
<u>Revenue</u> – (§644.057) Increase in clean water fee. p.4	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
ESTIMATED NET EFFECT ON THE NATURAL RESOURCES PROTECTION -WATER POLLUTION PERMIT FEE SUBACCOUNT FUND	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

Under the act, a person who has contracted for the right to store water in a reservoir owned by the United States Army Corps of Engineers shall have exclusive rights to any return flows from the reservoir. The rights shall be subject to regulatory requirements imposed by the state and to the availability of unused storage capacity within the reservoir.

The act also repeals a provision stating that the Clean Water Commission shall not adopt or recommend a clean water fee exceeding \$5,000.

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



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March 4, 2026



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March 4, 2026