

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1223-02
Bill No.: SCS for SB 331
Subject: Environmental Protection; Utilities
Type: Original
Date: March 26, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	\$0	\$0 to (Unknown)	\$0 to (Unknown)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Conservation, Office of Administration - Division of Design and Construction, Department of Economic Development - Public Service Commission, Department of Economic Development - Office of Public Counsel** and the **City of Kansas City** assume this proposed legislation would have no fiscal impact on their agencies.

Officials from the **Department of Transportation (DHT)** assume no fiscal impact based on the assumption that ownership of property includes fee simple and easement interests.

Officials from the **Department of Natural Resources (DNR)** assume the proposed legislation would have minimal fiscal impact on their agency.

Local Government - Fiscal Impact

Oversight assumes that all municipalities, counties, and county water districts who would have underground facilities would experience some fiscal impact from being required to be members of the notification center. Oversight assumes that any fiscal impact resulting from membership and user fees would not be significant to any one political subdivision. Oversight will show fiscal impact to local governments as \$0 to (Unknown).

Oversight also assumes that Recorder of Deeds would no longer be required to keep registration of owners of underground facilities thereby decreasing the administrative functions currently required.

The county would also experience a reduction in fees currently collected from these recordings. Oversight assumes that the trade off of reduced administrative duties verses the loss of fees would result in zero fiscal impact.

Oversight notes that fiscal impact is reflected starting in FY 03 because per the proposal, the effective date for mandatory participation in the notification center is January 1, 2003.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Local Government

FY 2002

FY 2003
(6 Mo.)

FY 2004

POLITICAL SUBDIVISIONS

Costs* - Participation in notification
center

\$0

\$0 to
(Unknown)

\$0 to
(Unknown)

*** - Costs to political subdivisions are not expected to be significant**

FISCAL IMPACT - Small Business

This proposal would impact small businesses which are owners of underground facilities and are not members of the current notification program by adding identification and membership expenses to their operation.

DESCRIPTION

This proposal revises the Underground Facility Safety and Damage Prevention Act. The operation of the notification center is expanded to 24 hours per day and 365 days per year. The proposal provides that the notification center will be governed by a board of directors representative of and selected by the membership. Participation in the notification center will be mandatory for all new and existing owners and operators of underground facilities commencing January 1, 2003. Other technical changes are made in the proposal to reflect the requirement that all owners and operators will be participants in the notification center commencing January 1, 2003. The list of participants shall be maintained in the offices of the notification center rather than the recorder of deeds.

If the area of excavation cannot be determined from the description of the excavator the owner or operator may require the excavator to provide project plans or meet on site with representatives of the owner or operator. A notice of intent to excavate must now include more contact information for the person filing the notice and location descriptions. Once markings have been furnished excavators may continue to work as long as the markings are visible. Owners or operators are required to give the excavator information about vaults, valves or other appurtenances in the excavation area. If there are no facilities in the excavation area the owner or operator shall give actual notice that there are no facilities in the area. Owners and operators now have two working days rather than 48 hours to respond to notices of intents to excavate. Excavators may not use power-driven equipment for horizontal boring or directional drilling near the underground facilities until careful and prudent efforts have been made to determine the horizontal and vertical location of the facilities.

DESCRIPTION (continued)

Owners and operators of underground facilities who fail to participate in the notification center after January 1, 2003, will not be allowed to recover damages resulting from excavations for which notice of intent to excavate was made. Nothing in this proposal will abrogate contractual provisions between any railroad and any other party owning or operating underground facilities within the right-of-way owned by the railroad. Requirements to provide a notice of intent to excavate will not apply in instances of emergency.

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 Conservation
Department of Economic Development - Office of Public Counsel
Department of Economic Development - Public Service Commission
Department of Natural Resources
Department of Transportation
Office of Administration - Division of Design and Construction
City of Kansas City



Jeanne Jarrett, CPA
Director

March 26, 2001