

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1690H.03P
 Bill No.: Perfected HCS for HB 774
 Subject: Department of Labor and Industrial Relations; Mining and Oil and Gas
 Production; Fees
 Type: Original
 Date: March 29, 2023

Bill Summary: This proposal modifies provisions relating to cave inspection fees.

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|--|------------|------------|------------|
| FUND AFFECTED | FY 2024 | FY 2025 | FY 2026 |
| | | | |
| | | | |
| Total Estimated Net Effect on General Revenue | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | | | |
|---|--------------------------------------|--------------------------------------|--------------------------------------|
| FUND AFFECTED | FY 2024 | FY 2025 | FY 2026 |
| State Mine Inspection Fund (0973)* | More or Less than \$2,400 | More or Less than \$2,400 | More or Less than \$2,400 |
| | | | |
| Total Estimated Net Effect on <u>Other</u> State Funds | More or Less than \$2,400 | More or Less than \$2,400 | More or Less than \$2,400 |

*Oversight notes the fund would experience slight increase due to the change of fee payment in **HA 1** from current \$35 to \$100 per each inspection.

Numbers within parentheses: () indicate costs or losses.

| ESTIMATED NET EFFECT ON FEDERAL FUNDS | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2024 | FY 2025 | FY 2026 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE) | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2024 | FY 2025 | FY 2026 |
| | | | |
| | | | |
| 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 2024 | FY 2025 | FY 2026 |
| | | | |
| Local Government | \$0 | \$0 | \$0 |

FISCAL ANALYSIS

ASSUMPTION

In response to the previous version of the proposal, officials from the **Department of Labor and Industrial Relations (DOLIR)** assume the increases in annual cave inspection fees from \$35 to \$300 would increase revenues to the State Mine Inspection Fund from approximately \$1,000 to \$9,000 on annual basis. The fee was originally set in 1959.

Oversight notes, for purpose of the fiscal note, the last three year of totals as follow:

| Function | Totals 2023 (not done yet) | Totals 2022 | Totals 2021 |
|-------------------|-----------------------------------|--------------------|--------------------|
| Total Inspections | 21 | 27 | 23 |
| Total Fees Paid | \$735 | \$945 | \$805 |

Source: <https://labor.mo.gov/media/pdf/2022annualreportpdf>

Oversight notes that on average DOLIR conducted 24 inspection from 2023 to 2021 (taking into account that 2023 is not over yet. Taking \$35 cost of each inspection total to an average \$828 (rounded to nearest dollar) collected in fees annually.

Oversight notes the HA 1, changes subsection 293.620. 2, and allows for \$100 dollar (previous version was \$300) annual fee to be collected for every cave owner, operator or agent of any cave held open to the public (currently \$35).

Oversight notes that using the same statistics provided above the total collection, if the inspection totals remain constant, could potentially receive \$2,400 (24 x (\$100 - \$35) in fees annually. Therefore, oversight will note positive impact to the State Mine Inspection Fund as projected by the DOLIR of more or less than \$2,400 annually in the fiscal note.

Officials from the **Department of Revenue** and the **Department of Natural Resources** both 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 departments.

| <u>FISCAL IMPACT – State Government</u> | FY 2024 (10 Mo.) | FY 2025 | FY 2026 |
|---|----------------------------------|----------------------------------|----------------------------------|
| STATE MINE INSPECTION FUND (0973) | | | |
| Increase in Revenue – Section 293.620.2 (\$100 fee) | More or Less than \$2,400 | More or Less than \$2,400 | More or Less than \$2,400 |
| NET EFFECT ON THE STATE MINE INSPECTION FUND | More or Less than \$2,400 | More or Less than \$2,400 | More or Less than \$2,400 |

| <u>FISCAL IMPACT – Local Government</u> | FY 2024 (10 Mo.) | FY 2025 | FY 2026 |
|---|---------------------|-------------------|-------------------|
| | | | |
| | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |

FISCAL IMPACT – Small Business

Small businesses that have caves inspected would pay more for said inspection as a result of this proposal.

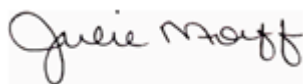
FISCAL DESCRIPTION

This bill increases the annual cave inspection fees from the current amount of \$35 to \$100.

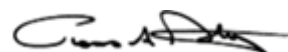
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Natural Resources
 Department of Revenue
 Department of Labor and Industrial Relations



Julie Morff
 Director
 March 29, 2023



Ross Strobe
 Assistant Director
 March 29, 2023