

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4468S.05C
 Bill No.: SCS for SB 782
 Subject: Environmental Protection; Department of Natural Resources; Lakes, Rivers and Waterways; Attorney General; Boards, Commissions, Committees, and Councils
 Type: Original
 Date: March 7, 2024

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 2025	FY 2026	FY 2027
General Revenue	(\$76,071)	(\$87,275)	(\$89,021)
Total Estimated Net Effect on General Revenue	(\$76,071)	(\$87,275)	(\$89,021)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
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 2025	FY 2026	FY 2027
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
General Revenue	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 2025	FY 2026	FY 2027
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

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

DNR estimates 1 FTE funded with General Revenue would be needed to support the establishment of the permitting for Water Exportation Program, including rulemaking, permitting, compliance, enforcement, administration and oversight. This estimate is based on department knowledge of permitting program administration.

Anticipated duties of the Environmental Program Analyst include: developing and reviewing administrative rules; improving permit processing efficiency, timely issuance of permits, and maintaining the accuracy and quality of permit related data in state and federal systems used to track permitting actions, generate reports, and monitor state and federal performance metrics and goals; coordinate and participate in public meetings, including present information to and gather feedback from stakeholders, permittees, and the general public on matters relating to water exportation permits and applicable state regulations; coordinate with internal units, sections, programs, and regional offices of the Department as well as external private, state, and federal agencies.

Rulemaking has the potential to result in additional economic impacts that are unknown at this time.

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 Agriculture, Missouri Department of Conservation, 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 **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 and Water One 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 the Kansas entities to apply for a permit to export water from the City in cases of emergency.

Officials from the **City of O'Fallon** and **Wayne County Public Water Supply District #2** 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 is.

In response to a previous version, officials from the **South River Drainage District**, **Metropolitan St. Louis Sewer District** and **St. Charles County Public Water Supply District #2** each assumed the proposal would 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.

In response to a similar proposal from 2023 (HB 1129), officials from the **Osceola Water/Wastewater** and **City of Springfield** each assumed the proposal would 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.

In response to a similar proposal from 2023 (HB 1129), officials from **Lexington Water** assumed there would be a fiscal impact from this proposal; however, they did not indicate what that fiscal impact would be.

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 2025 (10 Mo.)	FY 2026	FY 2027
GENERAL REVENUE FUND			
<u>Costs - DNR</u>			
Personnel Service	(\$42,237)	(\$51,698)	(\$52,732)
Fringe Benefits	(\$25,435)	(\$31,132)	(\$31,755)
Expense & Equipment	(\$8,399)	(\$4,445)	(\$4,534)
<u>Total Costs – DNR</u>	<u>(\$76,071)</u>	<u>(\$87,275)</u>	<u>(\$89,021)</u>
FTE Change	1 FTE	1 FTE	1 FTE
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$76,071)</u>	<u>(\$87,275)</u>	<u>(\$89,021)</u>
Estimated Net FTE Change on the General Revenue Fund	1 FTE	1 FTE	1 FTE

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
	<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.

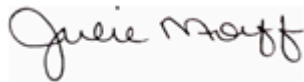
FISCAL DESCRIPTION

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

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
Missouri House of Representatives
Office of the Governor
Missouri Senate
City of Kansas City
City of Springfield
Metropolitan St. Louis Sewer District
South River Drainage District
St. Charles County Public Water Supply District #2
Wayne County Public Water Supply District #2
Osceola Water/Wastewater
Morgan County Public Water Supply District #2
City of O'Fallon



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March 7, 2024



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