

FISCAL NOTE
Requested by Legislative Council
02/27/2013

Amendment to: SB 2307

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$357,645		\$364,762	
Appropriations					\$364,762	

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

Bill requires the Department to regulate septic system installers & the design standards for septic systems, to approve large septic system installations, and provides inspection, fee & enforcement authority. Also requires Local Public Health Unit approval of small septic system installations.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Section 6 - requires the Department to administer and enforce a certification program for septic system installers to include training, issuing certificates, establishing reasonable fees and enforcing the established rules. The Department is also required to implement a program for the design approval of all large septic systems and establish reasonable fees for approving such systems. Section 6 subsection #6 requires Local Public Health Units/Board of Public Health to implement and enforce rules adopted by the Department of Health regarding the alteration, repair, construction, and installation of small septic systems. It is our understanding that 17 or 18 counties do not presently have environmental health services and, therefore, do not have an on-site sewer program. It is difficult to predict what cost these counties may incur in administering an on-site program. They could implement the program by hiring their own staff with no fee offset, hiring their own staff with partial or total fee offset, or contracting with a neighboring LPHU (that runs such a program) to provide services in their county. If they choose to contract with a neighboring LPHU, it is possible that the cost would be covered through fees charged (to regulated entities) by the LPHU, leaving little if any cost to the county.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

Fees authorized under this bill must be established by rule. Since rules will be developed during the 2013 – 15 biennium, we are unable to estimate revenue for the 2013-15 biennium. Some fee revenue may be generated during the 2015-17 biennium, however that amount is unknown at this time.

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

2013-2015 Expenditures include 2 FTE: One Environmental Scientist II - responsible for the development and implementation of a new statewide program for certification and training of septic system installers - \$124,360. One Environmental Engineer II - responsible for developing and implementing new statewide design/construction standards for septic systems and review/approval of large septic systems (those serving 25 or more individuals). This FTE may also conduct inspections of septic system installations and assist in training of septic system installers. – \$142,965. Operating Expenses of \$45,160 for each FTE for a total of \$90,320, which includes one-time purchases for computers and office furniture of \$7,400. 2015 – 17 Expenditures inflate the 2013 – 15 expenditures and eliminates the one-time computer and furniture purchases.

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

No appropriation is needed as an appropriation is included within the bill.

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Date Prepared: 03/01/2013