

(Return in triplicate)

FISCAL NOTE

Bill/Resolution No.: _____ Amendment to: SB 2188

Requested by Legislative Council Date of Request: 2-18-91

Please estimate the fiscal impact of the above measure for:

State general or special funds Counties Cities

In the following space note the fiscal effect in dollars of this measure:

Narrative:

The amendments (engrossed Senate Bill No. 2188) made by the Senate does not change the fiscal note submitted to the Legislative Council on January 8, 1991.

See attachment for a general explanation of the bill and our estimation of income from the proposed chemical fee system.

Fifty percent of the funds collected will be transferred to the county account for hazardous materials preparedness and response. The funds transferred to local governments will be based on the number of facilities reporting.

No impact is anticipated to the state and local general fund by the passage of the legislation (SB 2188). If the legislation is not passed, however, an impact can be expected on both state and local general fund accounts.

State Fiscal Effect:

<u>1991-92</u>		<u>1992-93</u>		<u>Biennium Total</u>	
<u>General Fund</u>	<u>Special Funds</u>	<u>General Fund</u>	<u>Special Funds</u>	<u>General Fund</u>	<u>Special Funds</u>
-0-	\$41,250.00	-0-	\$41,250.00	-0-	\$82,500.00

County and City Fiscal Effect:

<u>1991-92</u>		<u>1992-93</u>		<u>Biennium Total</u>	
<u>Counties</u>	<u>Cities</u>	<u>Counties</u>	<u>Cities</u>	<u>Counties</u>	<u>Cities</u>
\$41,250.00	-0-	\$41,250.00	-0-	\$82,500.00	-0-

If additional space is needed, attach a supplemental sheet.

Signed *Ronald D. Affeldt*

Typed Name RONALD D. AFFELDT
Division of Emergency

Department Management

Date Prepared: 12 FEB 91

Phone Number 224-2113

Estimated Income

Many of our businesses and industries have not followed the proper reporting requirements (which actually puts them at risk of having a fine of \$25,000.00 per day of non-compliance levied against them), therefore, it is difficult to estimate the income (from the fees required) for the first biennium.

I estimate that we have 1850 facilities that are responsible to report under sections 311, 312, and 313 of PL 99-499 and will be required to pay a chemical fee.

Based on 1850 reporting facilities, an estimate of the income from the chemical fee system is as follows:

(1)	1000 facilities X \$25.00	\$25,000.00
	(with one hazardous chemical)	
(2)	500 facilities X \$25.00	\$25,000.00
	(with two hazardous chemicals)	
(3)	200 facilities X \$25.00	\$15,000.00
	(with three hazardous chemicals)	
(4)	100 facilities X \$25.00	\$10,000.00
	(with four hazardous chemicals)	
(5)	50 facilities X \$25.00	\$ 7,500.00
	(with five hazardous chemicals)	_____
	Total income per year	\$82,500.00
	Total income per biennium	\$165,000.00

(a) \$82,500.00, or one-half of the income from the chemical fee system, will be passed through to the counties.*

(b) \$82,500.00 will be utilized by the state.

*County funds will be based on the number of facilities in the county that submit the payment for their hazardous chemicals.

Small businesses have a very difficult time understanding and complying with SARA Title III. They need assistance from the state and local governments to assure compliance with PL 99-499.

The Division of Emergency Management will hire an individual to help administer the program and assist the division director in carrying out the following tasks:

- a. Assist facilities (business and industry) in compliance through reporting and planning.
- b. Assist counties (LEPCs) to assure they comply with the requirements of the law.
- c. Assist in developing and maintaining local emergency operations plans.
- d. Assist with SARA Title III training (LEPC membership and business and industry).
- e. Develop a computerized data base for facility reporting and planning, and recordkeeping.
- f. Assist the Chairman of the SERC at meetings or for other hazardous chemicals mitigation activities.

Any excess funds (above that anticipated for the activities listed above) at the state level, can be utilized by the SERC membership for state emergency response and recovery equipment, expenditures for state hazardous chemicals response and recovery activities, funding special hazardous chemicals training of state response and recovery personnel.

Funding at the local level (counties) can be spent on general hazardous chemicals programs, administration, emergency planning, providing technical assistance to business and industry, and hazardous chemicals response equipment and actual emergency response and recovery expenses.

NARRATIVE (ATTACHMENT TO SB 2188 FISCAL NOTE)

A new federal law has been adopted concerning extremely hazardous chemicals (Public Law 99-499, Emergency Planning and Community Right-To-Know Act of 1986).

The law requires the state and its local governments (counties) to accomplish several work elements with no financial assistance.

The North Dakota Division of Emergency Management has assumed a tremendous amount of additional responsibilities to assure counties (LEPCs) are informed regarding compliance requirements, local emergency plans are developed, maintained and exercised, a data base is developed and maintained, and technical assistance regarding compliance is provided to business and industry.

Local governments (counties) are responsible to administer the program locally, to develop and maintain an emergency operations plan, provide technical assistance to business and industry and assist county and city first responders.

No funding is currently available to the state or local levels of government to assure compliance with PL 99-499. If this legislation is approved, funds will be generated from a small fee system to assist state and county governments and business and industry in complying with the law. The passage of Senate Bill 2188 will benefit government as well as business and industry in North Dakota.

The chemical fee will be required for selected businesses and industries that manufacture, sell, store, use, etc. extremely hazardous chemicals (above a specific amount).