

FISCAL NOTE

(Return original and 10 copies)

Bill/Resolution No.: _____ Amendment to: SB 2362

Requested by Legislative Council Date of Request: 2-20-97

1. Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities, and school districts.

Narrative:

See attached narrative.

2. State fiscal effect in dollar amounts:

	<u>1995-97</u> <u>Biennium</u>		<u>1997-99</u> <u>Biennium</u>		<u>1999-2001</u> <u>Biennium</u>	
	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Funds</u>	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Funds</u>	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Funds</u>
Revenues:	-0-	-0-	-0-	\$800,000	-0-	\$800,000
Expenditures:	-0-	-0-	-0-	\$800,000	-0-	\$800,000

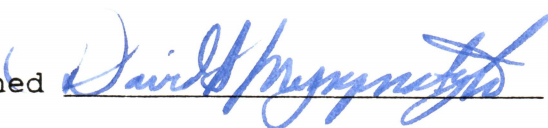
3. What, if any, is the effect of this measure on the appropriation for your agency or department:

- a. For rest of 1995-97 biennium: -0-
- b. For the 1997-99 biennium: \$800,000
- c. For the 1999-2001 biennium: \$800,000

4. County, City, and School District fiscal effect in dollar amounts:

<u>1995-97</u> <u>Biennium</u>			<u>1997-99</u> <u>Biennium</u>			<u>1999-2001</u> <u>Biennium</u>		
<u>Counties</u>	<u>Cities</u>	<u>School</u> <u>Districts</u>	<u>Counties</u>	<u>Cities</u>	<u>School</u> <u>Districts</u>	<u>Counties</u>	<u>Cities</u>	<u>School</u> <u>Districts</u>
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-

If additional space is needed, attach a supplemental sheet.

Signed 

Typed Name David A. Sprynczynatyk

Date Prepared: February 26, 1997

Department State Water Commission

Phone Number 328-4940

Engrossed Senate Bill 2362 transfers primacy for the safe drinking water program, established under the Safe Drinking Water Act, from the State Department of Health (Department) to the State Water Commission (Commission). The bill directs the Commission to enter into an agreement with the Department to administer and enforce the regulatory provisions of the program. Since the Department already has these expenses included in its budget, there is not a fiscal impact for this portion of Engrossed Senate Bill 2362.

Engrossed Senate Bill 2362 also gives the Commission administrative responsibility for the revolving loan fund of the Safe Drinking Water Act, including establishing priorities for the fund. This is a new program funded through EPA to help states meet federal drinking water requirements. The EPA provides an 80 percent grant to the states, and the states provide the 20 percent non-federal requirement, likely through bonding. It is estimated that North Dakota will receive \$12.5 million in FY '97 and approximately \$7.5 million in FY '98. With the 20 percent non-federal requirement, to be met through bonding, the program for the biennium would total \$24 million. Up to 4 percent of this total is allowed for administration, including oversight, establishing priorities, approving plans, providing technical assistance, and bonding costs. These administrative costs would be incurred by the Commission, the Department, and possibly the Municipal Bond Bank. The Commission budget only needs to include the administrative costs of the program, \$800,000. The Commission also expects to hire one additional FTE to administer this program. The level of EPA funding for the 1999-2001 biennium is unknown but it is assumed to continue at the same level.