

FISCAL NOTE
Requested by Legislative Council
01/11/2021

Bill/Resolution No.: HB 1183

- 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.*

	2019-2021 Biennium		2021-2023 Biennium		2023-2025 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$120,000	\$0	\$120,000
Expenditures	\$0	\$0	\$365,000	\$120,000	\$365,000	\$120,000
Appropriations	\$0	\$0	\$365,000	\$120,000	\$365,000	\$120,000

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

	2019-2021 Biennium	2021-2023 Biennium	2023-2025 Biennium
Counties	\$0	\$0	\$0
Cities	\$0	\$0	\$0
School Districts	\$0	\$0	\$0
Townships	\$0	\$0	\$0

- 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).*

House Bill 1183 establishes an onsite wastewater recycling technical board with the director of the Department of Environmental Quality as chairman of the board. Requires licensing, monitoring and tracking of installers of onsite sewage treatment systems.

- 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.*

Based on review of House Bill 1183 the Department of Environmental Quality (DEQ) is assuming that we will be required to track, monitor, and issue licenses for installers of onsite sewage treatment systems. We are also assuming we would be required to inspect installations and enforce any applicable rules.

We view this as a new program for the Department and would require two FTE (2 FTE) and have budgeted for an Environmental Scientist III as a program manager and Environmental Scientist II as an inspector. For the two FTE we have budgeted travel which maybe significant for inspections and associated operating cost for supplies, rent, training, equipment, IT Data Processing, IT Phone, and Rent. In addition, we have budget \$50,000 in IT contractual to develop a database and online registration portal.

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.*

Per review, there are approximately 300 installers of onsite sewage treatment systems in the state which are currently tracked and registered at the county level. The fees range at each county however multiple counties charge \$200 per year which is what we will use for our projections. We are assuming the counties will no longer charge the fees and the DEQ would be responsible for this portion of the program. DEQ would receive the fee revenue. Therefore, we project approximately \$60,000 of fee revenue per year (300 installers X \$200/year) which would be \$120,000 per biennium.

- 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.*

We project a total biennium budget of \$485,000 will be needed to implement House Bill 1183. This would be an ongoing program which will need to be sustained in future biennium. As detailed in 2B of this fiscal note, DEQ views this as a new program for the Department and would require two FTE (2 FTE) a program manager and an inspector. For the two FTE we have budgeted travel which maybe significant for inspections and associated operating cost for supplies, rent, training, equipment, IT Data Processing, IT Telephone, and Rent. In addition, we have budget \$50,000 in IT contractual to develop a database and online registration portal.

- 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 or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

The DEQ will assume the licensing fee generated will be deposited into DEQ's operating special fund. However, the amount of projected revenue generated from issuance of licenses for a biennium totaling \$120,000 will not cover the full cost of the program. Therefore, additional general funds of approximately \$365,000 will be needed to fully support the total program projected cost of \$485,000. This would be an ongoing general fund expense which will need to be funded in subsequent biennium.

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