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FISCAL IMPACT REPORT

SPONSOR: Rawson DATE TYPED: 02/26/01 HB _____
 SHORT TITLE: Repeal Liquid Waste Fees and Fund SB 466
 ANALYST: Belmares

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY01	FY02			
	\$ (600.0)	\$ (600.0)	Recurring	Liquid Waste Fund

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files
 Department of Environment

SUMMARY

Synopsis of Bill

Senate Bill 466 repeals language in the Environmental Improvement Act authorizing the collection of liquid waste permit and certification fees, which are deposited in the dedicated liquid waste fund. Senate Bill 466 also repeals the Liquid Waste Fund. If any liquid waste fees are collected but not encumbered or spent by the end of fiscal year 2001, the funds would be transferred to the general fund.

Significant Issues

The bill establishing the authority for the Department of Environment to assess liquid waste fees was on the Governor's call in the 2000 legislative session and was passed and signed during that session.

The Department of Environment asserts it cannot keep up with the number of illegal septic tank systems which are being installed. Leaking septic tanks can contaminate groundwater and can leak to the surface. Untreated sewage can contain contaminants and disease organisms that cause giardia, hepatitis, cholera and enteric infections. The Department of Environment also claims it cannot inspect the necessary number of liquid waste systems at the current level of general funding it receives and must rely on liquid waste fees to improve services to the public including septic tank installers, contractors and manufacturers.

FISCAL IMPLICATIONS

Senate Bill 466 -- Page 2

The Department of Environment estimates \$600.0 in fees to the Liquid Waste Fund annually. These fees would no longer be collected under this bill.

Senate Bill 466 would continue funding of the liquid waste program in the Department of Environment through the general fund and not allow for expansion of the program through liquid waste permit and certification fees.

The General Appropriation Act includes \$285.2 from liquid waster permit fees to fund six environmental specialist D term positions and one financial specialist 3 term position in the Department of Environment to conduct new septic tank installation inspections. The General Appropriation Act of 2001 also includes language which indicates the funding for the positions is contingent on the approval of the proposed rules and fees by the Environmental Improvement Board.

ADMINISTRATIVE IMPLICATIONS

See significant issues section above.

PERFORMANCE IMPLICATIONS

The General Appropriation Act of 2001 includes the efficiency performance measure, "Percent of new septic tank inspections completed." The Department of Environment has indicated the percentage would decrease from the 70% level indicated in the General Appropriation Act of 2001 to 50% without the addition of the seven new term positions which were to be funded through the liquid waste fees.

EB/ar