

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6524

BILL NUMBER: HB 1359

DATE PREPARED: Dec 3, 1999

BILL AMENDED:

SUBJECT: Residential septic systems.

FISCAL ANALYST: John Parkey

PHONE NUMBER: 232-9854

FUNDS AFFECTED: **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill requires that a residential septic system that is located on property adjacent to a public freshwater lake must be inspected for system failure every two years by the local health department.

The bill also requires the Indiana Real Estate Commission to provide in its residential real estate disclosure form for the disclosure by the owner of the known design of the septic system, if any, contained on the owner's property.

The bill also requires the owner of a residential property containing a septic system to have the system inspected for defects before preparing a residential real estate sales disclosure form concerning the property.

Effective Date: July 1, 2000.

Explanation of State Expenditures: The bill is not expected to have a fiscal impact on the Real Estate Commission.

Explanation of State Revenues:

Explanation of Local Expenditures: This bill will impact local health departments in areas where residential septic systems are located within 100 feet of a freshwater lake. The State Department of Health estimates that there are approximately 700,000 to 800,000 septic systems in the state. The number of these systems located adjacent to freshwater lakes has not been determined.

Septic systems are inspected by the local health department when the system is first implemented. Subsequent inspections may be made on the basis of a homeowner's request, a complaint, or after the septic system has been modified. The charge for these inspections varies among local health departments. The

impact of this proposal on local health departments will vary depending on the number of affected residential septic systems in the area served by the department and the inspection fee charged by the Department for these additional inspections.

Explanation of Local Revenues:

State Agencies Affected: Real Estate Commission.

Local Agencies Affected: Local Health Departments; Professional Licensing Agency.

Information Sources: Howard Cundiff, 233-7182, State Department of Health.