

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6460**

**BILL NUMBER:** HB 1075

**NOTE PREPARED:** Feb 18, 2009

**BILL AMENDED:** Feb 17, 2009

**SUBJECT:** CAFO Setbacks Around State-Owned Properties.

**FIRST AUTHOR:** Rep. Cheatham

**FIRST SPONSOR:**

**BILL STATUS:** CR Adopted - 1<sup>st</sup> House

**FUNDS AFFECTED:**  GENERAL  
 DEDICATED  
 FEDERAL

**IMPACT:** State

**Summary of Legislation:** (Amended) This bill provides that after June 30, 2009, a person may not: (1) start construction of a confined feeding operation if any part of the operation; (2) start construction of a concentrated animal feeding operation (CAFO) if any part of the CAFO; or (3) enter into an agreement for manure application if any part of the manure application area; is within two miles of the boundary of a state park or reservoir operated by the Department of Natural Resources.

**Effective Date:** July 1, 2009.

**Explanation of State Expenditures:** The proposal has the potential to reduce state expenditures that could occur for cleanups of animal waste spills near state natural resources. The proposal could also reduce administrative expenses for the Indiana Department of Environmental Management (IDEM) associated with oversight of CFOs and CAFOs if the proposal results in fewer operations being constructed in Indiana. The specific impact is indeterminable. IDEM is funded by both state General Fund and dedicated fund appropriations.

**Explanation of State Revenues:** If fewer operations are constructed in Indiana as a result of the proposal, revenue generated by CFO and CAFO fees could decrease. The overall impact, however, is not expected to be significant.

**Background:** In FY 2008, 2,211 operations existed in Indiana. CFOs pay a one-time fee of \$100. CFOs renew every 5 years for free. CAFOs that seek a general NPDES permit pay \$150 every 5 years and \$100 for construction or modification. CAFOs that seek an individual NPDES permit pay \$300 every 5 years and \$100

for initial construction or modification. Fees are deposited in the dedicated environmental permit fund used for IDEM operations.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** IDEM, DNR.

**Local Agencies Affected:**

**Information Sources:** IDEM.

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