

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

**LS 7032**

**BILL NUMBER: HB 1114**

**NOTE PREPARED:** Feb 12, 2009

**BILL AMENDED:**

**SUBJECT:** Septic Tanks and Sewer Systems.

**FIRST AUTHOR:** Rep. Cheatham

**FIRST SPONSOR:**

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

**FUNDS AFFECTED:**  **GENERAL**  
 **DEDICATED**  
 **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill provides that the Indiana Department of Environmental Management (IDEM) may not require a county to join or form a regional sewage district to provide sewer service to an unincorporated area of the county unless IDEM determines that the population density of the unincorporated area exceeds the minimum population density at which property owners in an unincorporated area of the county may be required to discontinue septic system use.

The bill requires the legislative body of a county that contains unincorporated areas to adopt an ordinance establishing the minimum population density at which property owners in an unincorporated area of the county may be required to discontinue septic system use. A regional sewage district may not require a property owner to connect to a sewer system if the property is (1) located in an unincorporated area; and (2) served by a septic system that is, as determined by local health department, functioning satisfactorily.

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

**Explanation of State Expenditures:** The provision could have an impact on IDEM expenses associated with determining population density for unincorporated areas and whether the density exceeds the minimum population density at which property owners in an unincorporated area of the county may be required to discontinue septic system use. The specific impact will depend on the number and nature of future requests to establish districts.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** The bill requires the legislative body of a county that contains

unincorporated areas to adopt an ordinance establishing the minimum population density at which property owners in an unincorporated area of the county may be required to discontinue septic system use. This provision should have minimal impact.

**Explanation of Local Revenues:** A regional sewage district may not require a property owner to connect to a sewer system if the property is (1) located in an unincorporated area; and (2) served by a septic system that is, as determined by local health department, functioning satisfactorily. This provision may result in a reduction in revenues received by certain local districts. The specific impact is indeterminable.

**State Agencies Affected:** IDEM's Office of Water Quality.

**Local Agencies Affected:** Regional sewer districts.

**Information Sources:** IDEM, 232-8283; <http://www.irsda.org/RSD-base.pdf>.

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