

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

**LS 6418**

**BILL NUMBER: SB 433**

**NOTE PREPARED: Jan 5, 2011**

**BILL AMENDED:**

**SUBJECT:** Environmental Issues.

**FIRST AUTHOR:** Sen. Gard

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED: X GENERAL  
DEDICATED  
FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** *Electronic Digital Signature Act.* The bill provides that the Electronic Digital Signature Act does not apply to the Indiana Department of Environmental Management (IDEM).

*Definitions.* This bill amends the definitions of "owner" and "operator" and defines "foreclosure" to delineate exceptions from potential liability for cleanup that (1) are consistent with federal law under underground storage tank, petroleum facility, and hazardous substance facility statutes; and (2) apply to lenders that foreclose on sites at which they did not participate in management before foreclosure and that undertake certain enumerated activities after foreclosure. The bill replaces the undefined term "sanitary landfill" with "solid waste landfill". For purposes of wastewater management statutes, the bill replaces the term "wastewater" with "septage".

*Deadlines for Action by IDEM.* This bill establishes deadlines for action by IDEM on various permit applications with respect to certain solid waste processing facilities.

*Drinking Water and Wastewater Operator Certification.* The bill expands the grounds on which the IDEM Commissioner may suspend or revoke a drinking water or wastewater operator certification.

*Environmental Restrictive Ordinance.* The bill provides that an environmental restrictive ordinance (ERO) is an ordinance adopted by a municipal corporation that seeks to control the use of groundwater in a manner and to a degree that protects human health and the environment against unacceptable exposure to a release of hazardous substances, petroleum, or both. It requires IDEM to give written notice to a municipal corporation that IDEM is relying on an ERO adopted by the municipal corporation as part of a risk-based remediation proposal. The bill requires a municipal corporation to notify IDEM of adoption, repeal, or

amendment of an ERO only if the municipal corporation received that written notice.

*Rules.* The bill allows, in streamlined rulemaking processes, the adoption of a proposed rule with amendments at the public hearing, and requires that the amendments meet logical outgrowth requirements.

*Claims Against the Underground Petroleum Storage Tank Excess Liability Trust Fund (ELF).* The bill modifies the deductible for claims against the ELF fund by certain underground storage tank owners.

*Disclosures.* The bill requires disclosure in the residential real estate sales disclosure form of known contamination caused by the manufacture of a controlled substance on the property that has not been certified as decontaminated by an approved environmental inspector. An owner or agent is required to disclose to a transferee any knowledge of a psychologically affected property in a real estate transaction if the transferred property is listed on the Indiana Criminal Justice Institute's methamphetamine registry web site.

*Environmental Quality Service Council (EQSC).* This bill requires the EQSC to study in 2011 each program administered by IDEM for which the annual revenue generated by the program exceeds IDEM's annual cost to administer the program.

*Federal Programs.* The bill authorizes IDEM to administer certain federal programs.

*Air Pollution Control Board.* This bill repeals a provision concerning Air Pollution Control Board permit or registration exemptions.

*Northwest Indiana Advisory Board.* This bill eliminates the Northwest Indiana Advisory Board.

*Land Application of Septage.* The bill provides that wastewater management statutes apply to land application of septage.

*Landfill Inspectors.* The bill removes the limitation on the number of landfill inspectors IDEM may designate.

The remaining provisions are clarifications or technical changes.

**Effective Date:** Upon passage; July 1, 2011.

**Explanation of State Expenditures:** *Electronic Digital Signature Act.* This provision could reduce administrative expenses for IDEM. The impact is not expected to be significant.

*Deadlines for Action by IDEM.* The bill establishes deadlines for IDEM action on various permit applications with respect to certain solid waste processing facilities. This provision should have no fiscal impact.

*Drinking Water and Wastewater Operator Certification.* The bill allows suspension or revocation of a drinking water or wastewater operator certification if another state has decertified or taken similar action against the operator. This provision could result in a reduction in expenses associated with IDEM's having to document a case for suspension or revocation of a certification.

*Environmental Restrictive Ordinance (ERO).* The bill requires IDEM to give written notice to a municipal corporation that IDEM is relying on an ERO adopted by the municipal corporation as part of a risk-based

remediation proposal. This requirement is within IDEM's routine administrative functions and should be able to be implemented with no additional appropriations.

*Rules.* The bill allows the adoption of a proposed rule with amendments at the public hearing, and requires that the amendments meet logical outgrowth requirements. Streamlining the process could reduce IDEM's administrative expenses.

*Landfill Inspectors.* The bill removes the limitation on the number of landfill inspectors IDEM may designate. This provision will allow IDEM administrative flexibility which could reduce expenditures.

*Claims Against the Underground Petroleum Storage Tank Excess Liability Trust Fund (ELF).* The bill increases the deductible from \$25,000 to \$30,000 for claims against the ELF by certain underground storage tank owners. Increasing the deductible will reduce expenditures from the fund.

*Disclosures.* The bill requires disclosure upon the sale of residential property of known contamination caused by the manufacture of a controlled substance on the property that has not been certified as decontaminated. This provision will have no fiscal impact.

*Environmental Quality Service Council.* Requiring the EQSC to study in 2011 each program administered by IDEM for which the annual revenue generated by the program exceeds IDEM's annual cost to administer the program would increase costs only if the EQSC would hold an additional meeting(s) because of the assigned topic. The EQSC is limited by a budget of \$16,500.

*Federal Programs.* The bill authorizes IDEM to administer certain federal programs. This provision will have no significant impact on IDEM expenditures.

*Air Pollution Control Board.* This bill repeals a provision concerning Air Pollution Control Board permit or registration exemptions. This provision will have no impact.

*Northwest Indiana Advisory Board.* The repeal of the Board should have no fiscal impact. The board has not met since at least 2003.

**Explanation of State Revenues:** The permit fee for solid waste landfills remains the same as existing fees.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** IDEM.

**Local Agencies Affected:**

**Information Sources:** Brad Baughn, Legislative Liaison, IDEM.

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