

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 481** HLS 21RS 862

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 3, 2021	1:02 PM	Author: WILLARD
Dept./Agy.: LDH		Analyst: Tanesha Morgan
Subject: Drinking water		

WATER/DRINKING WATER OR +\$966,882 GF EX See Note Page 1 of 1
Provides relative to testing for certain contaminants in drinking water and for other functions pertaining to drinking water safety

Proposed law requires certain public water systems to perform an iron test. Proposed law stipulates that if the iron test finds an exceedance of the maximum contaminant level for iron, then the system shall do the following: (1) Perform a follow-up public water supply test at the taps of the previously sampled high-risk Tier 1 sites for residual chlorine, total coliform, and E. coli, and (2) Submit a corrosion control plan to LDH. Proposed law requires that for each test performed in accordance with proposed law or the federal Lead and Copper Rule, the system shall provide a written notice to homeowners who perform the sampling which features instructions and information specified in proposed law. Proposed law provides that monies collected through fines levied against a system for noncompliance shall be deposited into the Drinking Water Revolving Loan Fund. With respect to federal funding that may be provided to the state's Drinking Water Revolving Loan Fund through federal law known as the "LIFT America Act of 2021", proposed law requires the LDH to: (1) Assist systems in certain communities in the application process for funding, and (2) Inform systems with Lead and Copper Rule violations of funding availability.

EXPENDITURES	2021-22	2022-23	2023-24	2024-25	2025-26	5 -YEAR TOTAL
State Gen. Fd.	\$966,882	\$616,882	\$616,882	\$616,882	\$616,882	\$3,434,410
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$966,882	\$616,882	\$616,882	\$616,882	\$616,882	\$3,434,410

REVENUES	2021-22	2022-23	2023-24	2024-25	2025-26	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						

EXPENDITURE EXPLANATION

This measure is anticipated to increase State General Fund expenses for OPH by a maximum of \$966,882 in FY 22, which will be annualized in future fiscal years. The measure provides that OPH shall test certain water systems and taps for elevated levels of iron, coliform, and E. coli. There are 2,689 public water systems and 5,000 residential taps per year that are routinely tested.

The total cost for OPH to test one sample at each public water system is \$91,426 (\$34 per test x 2,689 systems). The total cost for OPH to test one sample at residential taps is \$410,000 (\$82 per test x 5,000 taps).

In the first year, there will be one time costs to update computer systems (\$250,000) and develop training materials (\$100,000).

Additionally, due to the increased workload of sample testing and data management, OPH indicates that they will need to hire 1 sanitarian at a cost of \$115,456 in salaries and benefits.

REVENUE EXPLANATION

Proposed law provides that monies collected through fines levied against a public water system for noncompliance provisions of proposed law shall be deposited into the Drinking Water Revolving Loan Fund. The bill does not specify the amount of the fines. The LFO assumes that this fee will be established by administrative rule promulgation by the department or under a separate legislative instrument. The LFO cannot anticipate the amount of fines that may be imposed and collected as a result of this measure.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Alan M. Boxberger
Alan M. Boxberger
Staff Director