

HF3824 - 1A - "Change Provisions for Wells and Borings"

Chief Author: **Paul Torkelson**
 Committee: **Health and Human Services Finance**
 Date Completed: **03/28/2018**
 Agency: **Health Dept**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings	X	
Tax Revenue		X
Information Technology		X
Local Fiscal Impact	X	

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2017	FY2018	FY2019	FY2020	FY2021
State Government Special Rev	-	-	11	11	11	11
Total	-	-	11	11	11	11
Biennial Total			11			22

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2017	FY2018	FY2019	FY2020	FY2021
State Government Special Rev	-	-	(.05)	(.05)	(.05)
Total	-	-	(.05)	(.05)	(.05)

Executive Budget Officer's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with MMB's Fiscal Note policies.

EBO Signature: Chardae Kimber Date: 3/28/2018 10:55:12 AM
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2017	FY2018	FY2019	FY2020	FY2021
State Government Special Rev	-	-	-	11	11	11
Total	-	-	-	11	11	11
Biennial Total				11		22
1 - Expenditures, Absorbed Costs*, Transfers Out*						
State Government Special Rev	-	-	(4)	(4)	(4)	(4)
Total	-	-	(4)	(4)	(4)	(4)
Biennial Total			(4)			(8)
2 - Revenues, Transfers In*						
State Government Special Rev	-	-	(15)	(15)	(15)	(15)
Total	-	-	(15)	(15)	(15)	(15)
Biennial Total			(15)			(30)

Bill Description

This bill would change the name of a temporary environmental well to a temporary boring and change the definition. It would also exempt temporary borings less than 25 feet deep from notification and fees. This would affect the Well Management Section in the Environmental Health Division. It does not contain an appropriation.

Assumptions

This would eliminate sealing fees for temporary boring less than 25 feet. Since we have not even regulated all these types of borings for a full year, we estimate there would be approximately 200 fewer fees at \$75 each. This would result in a reduction in \$15,000. There would also be a reduction in the staff time needed to process fees and records and for inspection of these shallow borings. The estimated reduction in staff time is 0.05 FTE for an Office and Administrative Specialist Senior.

Expenditure and/or Revenue Formula

FISCAL TRACKING (dollars in thousands)						
FUND	BACT	DESCRIPTION	FY 2018	FY 2019	FY 2020	FY 2021
1200	03	Health Protection	-	(4)	(4)	(4)
1200	REV	Licensing Revenue	-	(15)	(15)	(15)
1200		NET COST (SAVINGS)	-	11	11	11

Long-Term Fiscal Considerations

On an annual basis, this bill has a net cost of \$11,000 to the state government special revenue fund that will continue years outside of the forecast period.

IMPACT (dollars in thousands)					
DESCRIPTION	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Expenditure	(4)	(4)	(4)	(4)	(4)
Revenue	(15)	(15)	(15)	(15)	(15)
ANNUAL COST (SAVINGS)	11	11	11	11	11
FIVE-YEAR NET COST (SAVINGS)					55

Local Fiscal Impact

There may be some fiscal impact to local governments. The Department of Health has delegated regulatory authority to two cities and three counties for monitoring wells. These local governments are still working to fully implement the latest changes in law, which includes borings (environmental borings) 15-25 feet deep that that would be affected by this bill. It is unknown how many environmental wells (borings) between 15-25 feet will be regulated in these programs when it is fully implemented. Potential fiscal impact could be several thousand dollars annually per each local government unit with delegated authority.

References/Sources

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