

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS
FISCAL IMPACT STATEMENT**

LS 6420
BILL NUMBER: HB 1052

NOTE PREPARED: Dec 4, 2024
BILL AMENDED:

SUBJECT: Onsite Sewage Systems.

FIRST AUTHOR: Rep. Pressel
FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: *Rules Adoption:* This bill requires the Indiana Department of Health (IDOH) or the Executive Board of the IDOH to adopt, revise, update, or repeal rules concerning residential and nonresidential onsite sewage systems.

Technical Review Panel: This bill alters who may vote on the Technical Review Panel and the process to resolve a tie vote. It provides that the Technical Review Panel may not approve an ordinance concerning residential onsite sewage systems unless certain conditions are met. It also voids certain ordinances.

Local Health Funding: This bill provides that a local board of health is ineligible to receive funding from the local public health fund under certain conditions.

Effective Date: Upon passage.

Explanation of State Expenditures: *Rules Adoption:* The bill's requirements to adopt rules before July 1, 2025 and to provide written notices of noncompliance, as prescribed in the bill, will increase workload for the Indiana Department of Health (IDOH) (or the Executive Board of the IDOH) but should be able to be implemented using existing staffing and resources. *[The IDOH's administrative expenditures are currently paid from the Tobacco Master Settlement Fund, a dedicated fund.]*

Additional Information: The bill amends the Technical Review Panel's voting members and rules for adoption of an ordinance. It also limits the Panel from meeting more than four times per year. [Current law requires the Panel to meet at least four times per year.] The Panel met seven times in FY 2024 and met four times during the first half of FY 2025. Members of the Panel do not receive a per diem.

Explanation of State Revenues:

Explanation of Local Expenditures: *Rules Adoption:* The bill requires a county, city, or town (local unit) to provide a financial impact for each item in a proposed ordinance rather than only requiring the total financial impact of the entire ordinance. A local unit will need to ensure all existing and newly proposed

ordinances comply with the rules adopted by the IDOH under this bill. This is within the routine administrative functions of a local unit.

Local Health Funding: Local health departments will need to ensure compliance with state laws concerning residential onsite sewage systems and nonresidential onsite sewage systems. If issued a written notice of noncompliance from the IDOH, the local health department will need to modify rules or practices to be in compliance. This requirement should be able to be implemented using existing staffing and resources.

Explanation of Local Revenues: *Local Health Funding:* If a local health department is found to not be in compliance with state laws concerning residential onsite sewage systems or nonresidential onsite sewage systems and doesn't remedy the issue within 30 days, a local board of health in the same county as the local health department will have their state funding suspended by the IDOH until compliance is achieved. Any reduction in funding to local boards of health will depend on actions taken by local health departments.

State Agencies Affected: Indiana Department of Health.

Local Agencies Affected: Counties; cities; towns; local health departments; local boards of health.

Information Sources: Indiana Department of Health's Technical Review Panel website, <https://www.in.gov/health/eph/onsite-sewage-systems-program/technical-review-panel>.

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