



January 30, 2023

**SUMMARY OF BILL:** Establishes that underground injection activities authorized by rule are not subject to five-year term limits usually applied to discharge permits under the *Water Quality Control Act of 1977*.

**FISCAL IMPACT:**

**Decrease State Revenue –**

**\$1,000/FY23-24 and Subsequent Years/Environmental Protection Fund**

**Other Fiscal Impact – The FY21-22 collections into the Environmental Protection Fund through the Division of Water Resources totaled \$24,948,600.**

Assumptions:

- This legislation will apply to Class V underground injection wells.
- Pursuant to Tenn. Code Ann. § 69-3-108(g)(4)(B), discharge permits issued by the Commissioner of the Department of Environment and Conservation (TDEC) are required to have a definite term, not to exceed five years, for which the permit is valid.
- After such five-year period, TDEC currently requires a renewal, and in conjunction, there is a fee, which ranges from \$50 - \$350.
- Revenue from such fees is deposited into the Environmental Protection Fund.
- Based on information provided by the TDEC, the department collected revenue of \$1,950 in FY20-21; however, no renewal fees were collected in FY21-22.
- In current practice, TDEC does not actively bill for renewals. All funds have been paid by people and entities proactively within the confines of current law.
- This legislation will align the Underground Injection Control system with federal standards, which do not require renewal. With no such renewal there will be a loss in state revenue.
- Annualized, it is estimated that there will be a recurring decrease in state revenue to the Environmental Protection Fund in FY23-24 and subsequent years of \$975 (\$1,950 / 2 years).
- Any impact on TDEC's Division of Water Resources' operations and expenditures will be not significant.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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