

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

301 State House
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FISCAL IMPACT STATEMENT

LS 6662

BILL NUMBER: SB 259

DATE PREPARED: Feb 26, 2002

BILL AMENDED: Feb 25, 2002

SUBJECT: Hazardous Air Pollutant Emissions.

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FUNDS AFFECTED: **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill allows the Air Pollution Control Board to adopt rules to establish general requirements for reporting of hazardous air pollutant emissions. The bill permits the board to adopt rules to (1) require sources to report hazardous air pollutant emissions if the reporting is necessary to demonstrate compliance with certain federal standards; or (2) allow the Department of Environmental Management (IDEM) to request certain site specific data. The bill prohibits the board from adopting rules to require sources to report hazardous air pollutant emissions before January 1, 2004. The bill requires the Environmental Quality Service Council to develop a plan before December 31, 2002, for the creation and funding of an effective hazardous air pollutant monitoring program to address potential health risks from hazardous air pollutants posed by urban air and significant sources. The bill directs IDEM and the State Department of Health (SDOH) to jointly develop a five year hazardous air pollutant strategy before November 1, 2002.

This bill also establishes the Indiana Harbor Ship Canal Maintenance Dredging and Disposal Project Study Committee. The bill requires the committee to study and assess the Project and create a final report before January 1, 2003. It prohibits the Department of Environmental Management from issuing permits associated with the Project until the committee issues its final report.

Effective Date: Upon passage.

Explanation of State Expenditures: (Revised) IDEM will incur administrative expenses associated with developing a five year hazardous air pollutant strategy. Several staff in various positions (equivalent of one full-time equivalency) at IDEM would be needed to work with ISDH to prepare the strategy. If IDEM based its strategy on readily available information and solutions that are identifiable, the work necessary to develop the strategy would be absorbed by existing resources. Original research into current health effects due to exposure to air contaminants would require substantial staff and contract funding that go beyond current resources.

The SDOH would require an additional epidemiologist. Annual costs for this staff person are estimated at approximately \$55,000 per year. The funds and resources required above could be supplied through a variety of sources, including the following: (1) Existing staff and resources not currently being used to capacity; (2) Existing staff and resources currently being used in another program; (3) Authorized, but vacant, staff positions, including those positions that would need to be reclassified; (4) Funds that, otherwise, would be reverted; or (5) New appropriations. As of December 31, 2001, the SDOH had 120 vacancies. The Department reverted \$410,484 in General Funds at the end of FY 2001. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions.

Costs associated with rule-making activities can be absorbed with existing resources.

The Environmental Quality Service Council is required to develop a plan before December 31, 2002, for the creation and funding of an effective hazardous air pollutant monitoring program. The Council has a budget of \$18,500 and should be able to complete the plan given its current budget.

Expenses associated with the Indiana Harbor Ship Canal Maintenance Dredging and Disposal Project Study Committee are to be paid from General Fund appropriations made to the Legislative Council or the Legislative Services Agency. The committee must complete its study and create a final report before January 1, 2003. The committee consists of 12 members. Interim study committees of fewer than 16 members are allowed a budget of \$9,000.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of Environmental Management; Legislative Services Agency; State Department of Health.

Local Agencies Affected:

Information Sources: Norma Selby, Policy and Procedure Analyst, State Department of Health, (317) 233-7262; Erika Seydel Cheney, Director of the Office of Business and Legislative Relations, IDEM, (317) 232-8598.