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**FISCAL IMPACT STATEMENT**

**LS 7832**

**BILL NUMBER:** HB 1653

**NOTE PREPARED:** Mar 21, 2005

**BILL AMENDED:** Feb 3, 2005

**SUBJECT:** Permit Issuance and Immunity from Liability.

**FIRST AUTHOR:** Rep. Wolkins

**FIRST SPONSOR:** Sen. Gard

**BILL STATUS:** CR Adopted - 2<sup>nd</sup> House

**FUNDS AFFECTED:**  **GENERAL**  
 **DEDICATED**  
**FEDERAL**

**IMPACT:** State

**Summary of Legislation:** (Amended) This bill establishes the shovel ready site development center within the Indiana Development Finance Authority to: (1) provide comprehensive information on permits required for business activities in Indiana; (2) work with other state government offices, departments, and administrative entities in assisting applicants in obtaining timely and efficient permit review and resolving of issues arising from permit review; (3) encourage the participation of federal and local government agencies in permit coordination; and (4) create programs to enable political subdivisions to obtain all or part of any permits to create sites that are ready for economic development.

The bill also provides that certain exceptions to liability under the federal Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) are equally applicable to persons under Indiana law concerning hazardous substances.

**Effective Date:** Upon passage; July 1, 2005.

**Explanation of State Expenditures:** (Revised) *Shovel Ready Site Development Center:* The bill establishes the Shovel Ready Site Development Center within the Indiana Development Finance Authority (IDFA). This provision is effective upon passage. The additional duties prescribed by the bill would have an administrative impact on IDFA. It is not known whether IDFA's current resources or staffing are sufficient to implement this program. Currently, IDFA has a staff of eight, including a receptionist and an office manager. Currently, IDFA administers the 21<sup>st</sup> Century Research and Technology Fund, the Brownfields Redevelopment Program, certain loan and loan guaranty programs, and the state's Industrial Revenue Bond Program.

The duties of the Shovel Ready Site Development Center would include:

- (1) Providing comprehensive information on permits required for business activities in Indiana, and making this information available to any person.
- (2) Working with other state government offices, departments, and administrative entities in assisting applicants in obtaining timely and efficient permit review and the resolution of issues arising from permit review.
- (3) Encouraging the participation of federal and local government agencies in permit coordination.

The bill also provides that the Shovel Ready Site Development Center create programs to enable political subdivisions to obtain all or part or any permits to create sites that are ready for economic development.

*Environmental Liability:* This bill includes additional exceptions under CERCLA for certain property owners to the liability of the release or threatened release of a hazardous substance from an owner's property. Currently, statute provides that the Department of Environmental Management (IDEM) may seek reimbursement for funds expended on the clean-up of a site contaminated from the release of a hazardous substance. Money for such clean-ups comes from the state's Hazardous Substance Response Trust Fund. If clean-ups are needed, for which the property owner is deemed not liable for the release of a hazardous substance, IDEM would not be able to seek reimbursement for the costs of the clean-up. The fiscal impact of this bill is indeterminable and is dependent on the number and extent of clean-ups for which costs may not be reimbursable.

*Background:* According to statute, the Hazardous Substance Response Trust Fund may be used for the following purposes:

- Financing contracts or cooperative agreements between the state and the President of the United States under Section 104 of CERCLA (42 U.S.C. 9604).
- Providing state assistance in the form of supplies, materials, services, and equipment to:
- Prevent the release of a hazardous substance or contaminant; or
- Control, contain, isolate, neutralize, remove, store, or dispose of any hazardous substance or contaminant already released into or on the air, land, or waters of Indiana.
- Financing response actions that are:
  - (A) undertaken or authorized by the commissioner with respect to sites in Indiana; and
  - (B) considered by the commissioner to be necessary to protect the public health or welfare or the environment from the release or threatened release of a hazardous substance or contaminant.
- Paying expenses related to releases of regulated substances other than petroleum from underground storage tanks under IC 13-23-13-7.
- Paying administrative and personnel expenses incurred by the state in responding to releases or threats of releases of hazardous substances or contaminants.
- Paying claims for the reimbursement of necessary response costs incurred by persons that have received preauthorization from the commissioner for reimbursement.
- Providing grants for household hazardous waste and conditionally exempt small quantity generator waste collection, recycling, or disposal projects under IC 13-20-20.
- Paying administrative and personnel expenses incurred by the department in implementing and administering household hazardous waste and conditionally exempt small quantity generator waste collection, recycling, or disposal projects under IC 13-20-20.
- Transferring funds to the environmental remediation revolving loan fund established by IC 13-19-5-2.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Indiana Development Finance Authority, Indiana Department of Environmental Management.

**Local Agencies Affected:**

**Information Sources:** IC 13-25-4. Indiana Development Finance Authority, <http://www.in.gov/idfa/>.

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