

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7388

BILL NUMBER: HB 1197

NOTE PREPARED: Jan 6, 2007

BILL AMENDED:

SUBJECT: Regulation of Confined Feeding Operations.

FIRST AUTHOR: Rep. Pflum

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: GENERAL
 DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: The bill prohibits construction of a confined feeding operation (CFO) within two miles of a school or a municipality. It permits application to land of manure generated by a CFO only by incorporation or injection. The bill requires certification of applicators of manure generated by a CFO.

Effective Date: Upon passage; July 1, 2007.

Explanation of State Expenditures: Prohibition: The bill provides that a CFO may not be constructed if any part of the facility would be less than 2 miles from the boundary of a nonpublic school, a public school, or a municipality. The Department of Environmental Management (IDEM) may not approve the application if the above limitation is not met. This prohibition would be in addition to setbacks from water sources that IDEM already monitors. This provision will have a minor impact on IDEM administrative expenses. IDEM would need to notify operators of the new prohibition.

Training and Certification Program: The bill also provides that the Solid Waste Management Board must adopt rules to establish an IDEM-operated training and certification program for manure applicators that apply manure generated from a CFO. After June 30, 2009, the application to land of manure generated from a CFO must be supervised by a manure applicator who is certified under the IDEM program.

The estimated cost to provide manure applicator training and certification costs is \$330,000 annually. Costs include an additional 6 staff members with benefits, indirect costs, IT/supplies/licenses, etc. An estimated 6,000 operators would need to be certified which would provide an average of 2 operators for each of the regulated 2,500 CFOs/CAFOs in the state, plus operators that bring manure coming from other states' CAFOs and non-farm contract applicators.

Explanation of State Revenues: The board must establish by rule and cause to be collected fees for the examination of applicants for certification; the issuance, renewal, or transfer of a certificate; and the restoration of an expired certificate. The fee established may not be less than \$50 unless the fee is collected under a rule adopted by the board that sets a fee for miscellaneous expenses incurred by IDEM on behalf of the operators the board regulates. **Fees may not be less than required to pay all of costs of the IDEM operations.**

If fees were set at \$50, with an estimated 6,000 applicators, the program would generate \$300,000.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: IDEM.

Local Agencies Affected:

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