

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

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 7598

BILL NUMBER: SB 487

NOTE PREPARED: Mar 30, 2009

BILL AMENDED: Mar 30, 2009

SUBJECT: Underground Plant Protection.

FIRST AUTHOR: Sen. Charbonneau

FIRST SPONSOR: Rep. Austin

BILL STATUS: CR Adopted - 2nd House

FUNDS AFFECTED: GENERAL
 DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill requires the operator of an underground facility to join the Indiana Underground Plant Protection Service (IUPPS) or its successor organization. It imposes a civil penalty if an operator fails to maintain IUPPS membership. It requires an operator to provide information concerning the locations of its underground facilities to the IUPPS.

This bill establishes the Underground Plant Protection Advisory Committee. It authorizes the advisory committee to conduct hearings on certain violations of underground plant protection law and recommend penalties to the Indiana Utility Regulatory Commission (IURC). The bill establishes the Underground Plant Protection Account to receive deposits of civil penalties. It also deletes obsolete provisions requiring operators to record underground facility locations with county recorders.

Beginning July 1, 2010, this bill requires the IURC to report to the Regulatory Flexibility Committee on best practices concerning vertical location of underground facilities. It requires a person responsible for excavation or demolition to perform white lining if the person is unable to identify the physical location of the excavation or demolition to the association. It provides that the operator of a pipeline facility that provides incorrect facility locate markings may be subject to a civil penalty under certain circumstances. The bill requires the IURC to adopt rules to implement the underground facilities statute. It makes conforming amendments. It also repeals an obsolete provision concerning the responsibilities of IUPPS.

Effective Date: July 1, 2009.

Explanation of State Expenditures: (Revised) *IURC*: This bill could increase administrative expenditures for the IURC. The bill requires the IURC to administer the Underground Plant Protection (UPP) account established in the bill. Any increase would be offset by the required reimbursement from the UPP account.

Additionally, the bill requires the IURC to report on best practices concerning vertical location of underground facilities to the Regulatory Flexibility Committee. There should be no increase in expenditures due to this provision.

The bill also requires the Pipeline Safety Division of the IURC to investigate violations and report findings to the UPP Advisory Committee (established in this bill). IURC's current level of resources should be sufficient to meet this provision.

(Revised) *Underground Plant Protection Advisory Committee*: This bill establishes the UPP Advisory Committee consisting of seven members appointed by the Governor. The bill provides that the Committee may recommend to the IURC civil penalties for certain violations of underground plant protection law, may recommend that violators participate in programs developed by the IURC and may develop a plan to avoid further violations. The members are not entitled to a salary or per diem. There would be no impact on state expenditures.

Explanation of State Revenues: *UPP Account*: This bill establishes the UPP account to collect fines for certain violations outlined in the bill. The bill provides that fines could range up to \$10,000 depending on the type of violation. The bill provides that money in the UPP account shall be used for the following purposes:

1. Public awareness programs concerning underground plant protection.
2. Training and educational programs for contractors, excavators, locators, operators, and other persons involved in underground plant protection.
3. Incentive programs for contractors, excavators, locators, operators, and other persons involved in underground plant protection to reduce the number of violations.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: IURC.

Local Agencies Affected:

Information Sources:

Fiscal Analyst: Diana Agidi, 317-232-9867.