

FISCAL NOTE
Requested by Legislative Council
12/23/2016

Bill/Resolution No.: SB 2110

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2015-2017 Biennium		2017-2019 Biennium		2019-2021 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$1,616,000	\$0	\$1,616,000
Expenditures	\$0	\$0	\$0	\$1,616,000	\$0	\$1,616,000
Appropriations	\$0	\$0	\$0	\$1,616,000	\$0	\$1,616,000

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2015-2017 Biennium	2017-2019 Biennium	2019-2021 Biennium
Counties	\$0	\$380,000	\$380,000
Cities	\$0	\$1,140,000	\$1,140,000
School Districts	\$0	\$0	\$0
Townships	\$0	\$0	\$0

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

Passage of this bill would generate approximately \$1.6 million per biennium in increased fees (surcharges) on companies that store very large quantities of hazardous materials as described in Title 40, CFR Section 355.20. It would also increase revenues by \$16,000 for estimated late fees.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

In section 2.d. there is a fiscal impact for additional revenue of approximately \$1,600,000 per biennium for fees (surcharges) on companies that store very large quantities of hazardous materials. A fee of two hundred dollars will be assessed based on thresholds for large facilities of 500,000 pounds or more and in addition, two hundred dollars per each range code above one million pounds of hazardous material. The maximum fee for any one site will be \$2,000 per year.

In addition, emergency response departments within counties and cities would receive grants of \$1,520,000 per biennium based upon a grant program established by the director of homeland security. The remaining \$80,000 would be retained by the agency to administer the grant program.

Section 2.c. would provide an increase in revenue estimated at \$16,000 per biennium for both the late filing of reports and late payment fees as imposed by the director of homeland security. The \$16,000 would be retained by the Department of Emergency Services for the administration of the state's hazardous chemical preparedness and response program to manage late fee processes.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

The revenues generated as described above would be \$800,000 per year (\$1.6 million per biennium) based upon an annual estimated 3,582 facilities at \$200 and 189 facilities at \$400.

Late filing and payment fees are estimated at \$8,000 per year or \$16,000 per biennium.

Revenues generated by SB 2110 are not included in the executive budget.

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

Under SB 2110, the director of homeland security will establish a grant program for emergency response departments and disperse ninety-five percent (\$1,520,000) of the funds collected from surcharges on a yearly basis. Those funds would be dispersed through the grants line. The remaining five percent (\$80,000) will be retained by the Department of Emergency Services for the administration of the state's hazardous chemical preparedness and response program to manage the grant processes. These funds would be expended through the operations line.

Additional expenditures of \$16,000 generated by revenues from late fees would provide operating costs for maintaining a late fee system. These funds would be expended through the operating line.

All expenditures would utilize the agency's current hazardous chemical fund.

No increase in FTE's for these changes, however, overall operating costs will increase.

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

The revenue and expenditures would all utilize the current hazardous chemical fund.

The expenditures would go through the grant line for ninety-five percent of the revenue (\$1,520,000) as grants to emergency response departments and five percent (\$80,000) administrative costs would go through the division's operating line to assist in managing the program.

Late fees, estimated at \$16,000 per biennium would provide administrative costs that would go through the division's operating line to assist in managing the program.

The executive budget does not include appropriations for SB 2110. This would be a continuing appropriation to ensure distribution of ninety-five percent of revenues each year and corresponding operations costs for implementing and maintaining an expanded hazardous chemical program.

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