

HOUSE BILL 379

Introduced by Grady, et al.

1/28	Introduced
1/28	Referred to Natural Resources
1/28	First Reading
1/28	Fiscal Note Requested
2/02	Fiscal Note Received
2/04	Fiscal Note Printed
2/12	Hearing
2/17	Tabled in Committee

1 House BILL NO. 379
 2 INTRODUCED BY Dr. Stenwall Burnett Kating
 3 Back Walter Ray Dillbert Rea
 4 A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING CRITERIA
 5 AND LIMITS FOR WATER QUALITY STANDARDS; AMENDING SECTION
 6 75-5-301, MCA; AND PROVIDING AN APPLICABILITY PROVISION."

7
 8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

9 **Section 1.** Section 75-5-301, MCA, is amended to read:

10 "75-5-301. Classification and standards for state
 11 waters. (1) Consistent with the provisions of 80-15-201, the
 12 board shall:

13 (1)(a) establish and modify the classification of all
 14 waters in accordance with their present and future most
 15 beneficial uses;

16 (2)(b) formulate standards of water purity and
 17 classification of water according to its most beneficial
 18 uses, giving consideration to the economics of waste
 19 treatment and prevention;

20 (3)(c) review, from time to time at intervals of not
 21 more than 3 years, established classifications of waters and
 22 standards of water purity and classification.

23 (2) The standards developed under subsection (1):

24 (a) must be formulated on the basis of considerations
 25 specifically applicable to Montana waters; and

1 (b) may not be less than the detection limit for any
 2 given parameter."

3 **NEW SECTION. Section 2. Applicability.** [This act]
 4 applies to all water quality standards adopted pursuant to
 5 75-5-301.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15


In compliance with a written request, there is hereby submitted a Fiscal Note for HB0379, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION: An act establishing criteria and limits for water quality standards.

ASSUMPTIONS:

1. Costs are based on Environmental Protection Agency (EPA) costs for developing a criteria/standard for a "typical" water study. Dave Sabock, head of the EPA Criteria and Standards Division, reports that the cost averages \$350,000 per study.
2. Montana waters are much more diverse than the "typical" water study conducted by the EPA. The average cost per study, conducted on representative Montana waters would be more expensive, and is estimated to be \$500,000 per study.
3. The EPA currently requires these water studies to be conducted on and limits established for 108 different compounds. It is reasonable to assume that this list will grow in the future.
4. Montana law requires a three year review of all established water quality standards. Consequently, starting in year four of this project there would be a doubling-up of effort required to accomplish not only new studies, but ongoing review for those standards established three years previously. This fiscal note does not address the expenses required for the review process.
5. The EPA used a period of over 16 years to establish its water quality criteria. For the purposes of this fiscal note, a period of ten years was chosen to develop cost estimates.
6. At the end of the ten year period used to establish the standards, the process of ongoing review and modification would go on indefinitely.
7. Using the EPA costs as a basis, increased to allow for the diversity of the actual conditions in Montana, the total cost of the program would be \$54,000,000; divided evenly over ten years equals an annual expense of \$5,400,000.
8. These costs were developed assuming the majority of the work would be accomplished by qualified contractors, and that qualified contractors would be available.
9. Estimates were based upon approximately 9% of the total annual budget being utilized for program administration and supervision with the remaining 91% being used for contracted services. Based on that criteria, the following FTE are necessary: 1 Grade 17, 3 Grade 16s, 4 Grade 14s, and 1 Grade 9. These program personnel costs would total about \$347,563 per year.
10. Annual operating expenses would include \$60,000 for analytical costs, \$57,092 for indirect costs and \$15,400 for travel, for a total of \$132,492. Total equipment expenditures would be \$19,945 annually.
11. Support Services Bureau is likely to need 2.00 FTE (a Grade 8 accounting clerk and a Grade 7 accounting clerk) for a total of about \$42,080 per year and operating costs of \$4,052 per year.
12. At the end of the legislative session, the DHES will have to determine the actual amount of additional staffing required in the Support Services Bureau to cover the bills passed during the session.

(Continued)


DAVID LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning


EDWARD (ED) J. GRADY, PRIMARY SPONSOR DATE

Fiscal Note for HB0379, as introduced

HB 379

FISCAL IMPACT:

	FY '94			FY '95		
	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>
<u>Expenditures:</u>						
FTE	0	11.00	11.00	0	11.00	11.00
Personal Services	0	389,643	389,643	0	389,643	389,643
Operating Costs	0	136,545	136,545	0	136,545	136,545
Equipment	0	19,945	19,945	0	19,945	19,945
Contracted Services	0	<u>4,900,000</u>	<u>4,900,000</u>	0	<u>4,900,000</u>	<u>4,900,000</u>
Total	0	5,446,133	5,446,133	0	5,446,133	5,446,133
<u>Funding:</u>						
General Fund	0	5,404,252	5,404,252	0	5,404,252	5,404,252
Proprietary Fund	0	41,881	41,881	0	41,881	41,881
<u>Revenues:</u>						
Proprietary Fund	0	41,881	41,881	0	41,881	41,881
<u>Net Impact:</u>						
General Fund	0	5,404,252	5,404,252	0	5,404,252	5,404,252

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION: The estimated expense for the initial ten year period would be \$5.4 million per year. These expenditures would only cover the actual studies for the required 108 compounds on the current EPA list. After the first four years, Montana state law would also require additional work for an ongoing review/revision process for established standards. At the end of the ten year period, state law would require each of these water quality standards to be reviewed/revised at a periodicity not to exceed three years. No estimates for any of these reviews/revisions have been added to the totals in this fiscal note. No attempt was made to include any inflation factor for studies conducted in the future. All cost estimates are based on 1992 prices.