

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

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FISCAL IMPACT STATEMENT

LS 7036

BILL NUMBER: HB 1352

NOTE PREPARED: Mar 4, 2024

BILL AMENDED: Feb 29, 2024

SUBJECT: Inspection of Residential Onsite Sewage Systems.

FIRST AUTHOR: Rep. Morris

FIRST SPONSOR: Sen. Byrne

BILL STATUS: As Passed Senate

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill establishes when certain officials may inspect a residential onsite sewage system or nonresidential onsite sewage system. It allows a nonresidential onsite sewage system to be installed in a lot if at least one site on the lot is determined to be suitable for the installation of the nonresidential onsite sewage system. It also provides that a county onsite waste management district (district) or local health department may not assess a periodic permit or inspection fee that exceeds the actual cost of the inspection incurred by the district or local health department on an onsite sewage system or an onsite residential sewage discharging disposal system.

Effective Date: Upon passage; July 1, 2024.

Explanation of State Expenditures: The Indiana Department of Health may need to amend rules regarding onsite residential sewage discharging disposal systems. This is within the routine administrative functions of the Board and should be able to be implemented within the executive board’s regularly scheduled meetings. *[The Indiana Department of Health administration receives funding through the Tobacco Master Settlement Fund, a dedicated fund.]*

Explanation of State Revenues:

Explanation of Local Expenditures: The bill modifies the criteria for when inspections of residential and nonresidential onsite sewage systems may occur. The bill could increase the number of inspections of residential onsite sewage systems since it removes the requirement that homeowners must invite the inspector onto their property for an inspection to occur. The bill could also increase the number of inspections of nonresidential onsite sewage systems since it allows for installation of a system on a lot if there is at least

one site suitable for the installation. Any resulting increase in the number of inspections is within the duties of local health departments and should be able to be implemented with no additional appropriations, assuming near customary staffing and resource levels.

Explanation of Local Revenues: *Fees:* The bill prevents a district or local health department from assessing a periodic permit or inspection fee that exceeds the actual cost of the inspection. Depending on current practice, revenue from these fees could decrease.

State Agencies Affected: Indiana Department of Health.

Local Agencies Affected: Local health departments; county onsite waste management districts.

Information Sources:

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