

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

LS 7572

BILL NUMBER: HB 1407

NOTE PREPARED: Jan 9, 2025

BILL AMENDED:

SUBJECT: Testing of Drinking Water.

FIRST AUTHOR: Rep. Hostettler

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: The bill requires a local health department to provide a free water quality test kit, upon request and subject to certain limits, to an individual residing within the local health department's jurisdiction. The bill provides that the water quality test kits must have the capacity to detect arsenic, fluoride, lead, mercury, and nitrate.

Effective Date: July 1, 2025.

Explanation of State Expenditures: *Indiana Department of Health (IDOH):* The bill could increase IDOH workload related to water testing, as it may increase the number of water tests and samples sent to IDOH labs. This should be able to be accomplished with existing staffing and resources. *[The IDOH receives appropriations for administrative costs and water testing costs from dedicated funds.]*

Explanation of State Revenues: *Water Testing Fees:* Currently, the IDOH collects a water testing fee of \$10.00 per test kit for bacteriology, fluoride or total nitrate kits. Metals kits range from \$20.00 to \$150.00 each. Arsenic kits are \$80. The state may also charge a shipping fee of \$6.50. If testing kits are provided at no cost to individuals from local health departments, this revenue will decrease. Total revenue for FY 2024 water testing was \$101,666 *(this includes water analysis tests not included in this bill)*. Fees are distributed to the state General Fund, and the Water Sampling Revolving Fund.

Explanation of Local Expenditures: *Local Health Departments:* The bill will increase workload and costs for local health departments to provide water quality tests free of charge.

Explanation of Local Revenues: *Water Testing Fees:* Some local health departments provide testing for a handling or service fee, while others refer individuals directly to the IDOH. If water testing kits are provided at no cost to individuals from local health departments, any previously collected fee revenue will decrease.

State Agencies Affected: Indiana Department of Health.

Local Agencies Affected: Local Health Departments.

Information Sources:

Legislative Services Agency, Indiana Handbook of Taxes, Revenues, and Appropriations, FY 2024.

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