

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

LS 6232

BILL NUMBER: SB 28

NOTE PREPARED: Jan 30, 2025

BILL AMENDED: Jan 30, 2025

SUBJECT: Ground Water Emergencies.

FIRST AUTHOR: Sen. Glick

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) *Investigations of Ground Water Impacts to SWWFs:* The bill allows the owner or operator of a significant ground water withdrawal facility (SWWF) to file a complaint with the director of the Department of Natural Resources (DNR) that a water well on the property of the owner of the SWWF failed to furnish the well's normal supply of water or failed to furnish potable water. It requires the director to launch an investigation into a complaint of a well failure from a SWWF within 72 hours of the director receiving the complaint.

Effective Date: July 1, 2025.

Explanation of State Expenditures: *Investigations of Ground Water Impacts to SWWFs:* Workload would increase for the DNR to conduct water-related investigations. Current law requires the DNR to investigate complaints received from an owner of a small capacity well that suspects that the reduced supply or potability of their water has been caused by a SWWF. The bill requires the DNR to also investigate a complaint from a SWWF about another SWWF. There are about 4,300 SWWFs (2,700 owners) registered with the DNR.

(Revised) *Compensation Expenditures for Ground Water Impacts:* Expenditures could increase if water withdrawals from a state-owned SWWF is determined to be the cause of a reduced supply or reduced potability of water to another SWWF, and they are required to provide “timely and reasonable compensation” (currently only required if the affected well is a small capacity well).

(Revised) *Additional Information:* A SWWF is defined as the facilities of a person (or group acting in concert) that, in aggregate from all sources and by all methods, has the capability to withdraw more than 100,000 gallons of ground water and/or surface water in day. [A small capacity well has the capability to withdraw less than 100,000 gallons per day.] Current law requires an owner of a SWWF to register with the DNR and report water use on an annual basis. The state owns SWWFs registered under the ownership of the DNR, the Indiana Department of Administration, Indiana Department of Transportation, Logansport State Hospital, Westville Correctional Facility, Ball State University, Indiana University, Purdue University, and multiple state parks.

Explanation of State Revenues: *Compensation Revenue for Ground Water Impacts:* If water withdrawals from a SWWF are determined to be the cause of a reduced supply or reduced potability of water, the state-owned SWWF would receive “timely and reasonable compensation” (currently only available to a small capacity well). However, the revenue received would be used to recover costs already incurred.

Explanation of Local Expenditures: (Revised) *Compensation Expenditures for Ground Water Impacts:* Expenditures could increase if water withdrawals from a SWWF, owned by a local unit, is determined to be the cause of a reduced supply or reduced potability of water to another SWWF, and they are required to provide “timely and reasonable compensation” (currently only required if the affected well is a small capacity well).

Local units own SWWFs registered under the ownership of cities, towns, schools, water utilities, airport authorities, and parks and recreation departments.

Explanation of Local Revenues: (Revised) *Compensation Revenue for Ground Water Impacts:* If water withdrawals from a SWWF are determined to be the cause of a reduced supply or reduced potability of water, a SWWF owned by a local unit would receive “timely and reasonable compensation” (currently only available to a small capacity well). However, the revenue received would be used to recover costs already incurred.

State Agencies Affected: Department of Natural Resources; potentially any state agency with a SWWF.

Local Agencies Affected: A local unit with a SWWF.

Information Sources: DNR, Division of Water;
<https://www.in.gov/dnr/water/water-availability-use-rights/water-rights-emergency-regulation>;
<https://www.in.gov/dnr/water/water-availability-use-rights/significant-water-withdrawal-facility-data>.

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