

**HF3824 - 2A - "Change Provisions for Wells and Borings"**

Chief Author: **Mary Franson**  
 Committee: **Health and Human Services Finance**  
 Date Completed: **03/28/2018**  
 Agency: **Health Dept**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings	X	
Tax Revenue		X
Information Technology		X
Local Fiscal Impact	X	

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2017	FY2018	FY2019	FY2020	FY2021
State Government Special Rev	-	-	18	11	11	
<b>Total</b>	-	-	<b>18</b>	<b>11</b>	<b>11</b>	
<b>Biennial Total</b>			<b>18</b>		<b>22</b>	

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2017	FY2018	FY2019	FY2020	FY2021
State Government Special Rev	-	-	.01	(.05)	(.05)
<b>Total</b>	-	-	<b>.01</b>	<b>(.05)</b>	<b>(.05)</b>

**Executive Budget Officer's Comment**

I have reviewed this fiscal note for reasonableness of content and consistency with MMB's Fiscal Note policies.

EBO Signature: Chardae Kimber      Date: 3/28/2018 11:09:13 AM  
 Phone: 651 259-3617      Email: chardae.kimber@state.mn.us

**State Cost (Savings) Calculation Details**

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

\*Transfers In/Out and Absorbed Costs are only displayed when reported.

<b>State Cost (Savings) = 1-2</b>		Biennium			Biennium	
Dollars in Thousands		FY2017	FY2018	FY2019	FY2020	FY2021
State Government Special Rev	-	-	-	18	11	11
<b>Total</b>	-	-	-	<b>18</b>	<b>11</b>	<b>11</b>
<b>Biennial Total</b>				<b>18</b>		<b>22</b>
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
State Government Special Rev	-	-	-	3	(4)	(4)
<b>Total</b>	-	-	-	<b>3</b>	<b>(4)</b>	<b>(4)</b>
<b>Biennial Total</b>				<b>3</b>		<b>(8)</b>
<b>2 - Revenues, Transfers In*</b>						
State Government Special Rev	-	-	-	(15)	(15)	(15)
<b>Total</b>	-	-	-	<b>(15)</b>	<b>(15)</b>	<b>(15)</b>
<b>Biennial Total</b>				<b>(15)</b>		<b>(30)</b>

**Bill Description**

This bill would change the name of a temporary environmental well to a temporary boring and change the definition. It would also exempt temporary borings less than 25 feet deep from notification and fees. The bill would also eliminate a provision that allowed licensed plumbers to work on wells when there is no licensed contractor within 50 miles. It also changes the requirements for submitting well construction and sealing records from 30 to 90 days and directs the Department to amend rules to change the well and boring construction and sealing records requirements from 30 to 90 days. This impacts the Well Management Section in the Environmental Health Division. It does not contain an appropriation.

**Assumptions**

This would eliminate sealing fees for temporary boring less than 25 feet. Since we have not even regulated all these types of borings for a full year, we estimate there would be approximately 200 fewer fees at \$75 each. This would result in a reduction in \$15,000. There would also be a reduction in the staff time needed to process fees and records and for inspection of these shallow borings. The estimated reduction in staff time is 0.05 FTE for an Office and Administrative Specialist Senior.

There would be a cost to the agency for amending the rules at 0.06 FTE in FY 2019. The bill allows for the good cause exemption for the rule changes and therefore it would be contained to approximately one fiscal year. Assuming this would take 5% of a Management Analyst 4 FTE. There will also be a minor one-time cost to adjust processes to account for the record submittal deadlines. Assuming this would take 1% of an Office and Admin Specialist Sr.

**Expenditure and/or Revenue Formula**

<b>FISCAL TRACKING (dollars in thousands)</b>						
FUND	BACT	DESCRIPTION	FY 2018	FY 2019	FY 2020	FY 2021
1200	03	Health Protection	-	3	(4)	(4)
1200	REV	Licensing Revenue	-	(15)	(15)	(15)
<b>1200</b>		<b>NET COST (SAVINGS)</b>	-	<b>18</b>	<b>11</b>	<b>11</b>

Note: In FY 2019, the reduction of 0.05 FTE for fee processing and increase of 0.06 FTE for rule making net to an increase of 0.01 FTE.

**Long-Term Fiscal Considerations**

On an annual basis, this bill has a net cost of \$11,000 to the state government special revenue fund that will continue years outside of the forecast period. The one-time cost for rule making and changing the process are not supported by a change in revenue, resulting in a minor net impact on the state government special revenue fund for the first year.

IMPACT (dollars in thousands)					
DESCRIPTION	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Expenditure	3	(4)	(4)	(4)	(4)
Revenue	(15)	(15)	(15)	(15)	(15)
<b>ANNUAL COST (SAVINGS)</b>	<b>18</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>
<b>FIVE-YEAR NET COST (SAVINGS)</b>					<b>62</b>

**Local Fiscal Impact**

There may be some fiscal impact to local governments. The Department of Health has delegated regulatory authority to two cities and three counties for monitoring wells. These local governments are still working to fully implement the latest changes in law, which includes borings (environmental borings) 15-25 feet deep that that would be affected by this bill. It is unknown how many environmental wells (borings) between 15-25 feet will be regulated in these programs when it is fully implemented. Potential fiscal impact could be several thousand dollars annually per each local government unit with delegated authority.

**References/Sources**

**Agency Contact:**

**Agency Fiscal Note Coordinator Signature:** Brian Awsumb

**Date:** 3/28/2018 9:00:08 AM

**Phone:** 651 201-5235

**Email:** brian.awsumb@state.mn.us