

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7217

BILL NUMBER: SB 414

NOTE PREPARED: Apr 28, 2023

BILL AMENDED: Apr 26, 2023

SUBJECT: Onsite Waste Management Districts and Septage Holding Tanks.

FIRST AUTHOR: Sen. Byrne

FIRST SPONSOR: Rep. Engleman

BILL STATUS: Enrolled

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: *Onsite Residential Sewage Discharging Disposal Systems:* The bill amends the definition of "onsite residential sewage discharging disposal system" to provide that the term includes a system that employs advanced treatment components to reduce the concentration of the pathogenic constituents of the effluent to an acceptable level before the effluent is discharged. It amends the law that prohibits the point source (i.e., above ground) discharge of treated sewage from a dwelling, which includes an exception to the prohibition for one particular county that has a onsite waste management district, to make the exception applicable to any onsite waste management district. It authorizes the adoption of rules or guidelines to provide guidance to a local health department that has jurisdiction in a county onsite waste management district and that is authorized to issue operating permits for onsite residential sewage discharging disposal systems that discharge effluent above ground.

The bill provides that, if amending the National Pollutant Discharge Elimination System (NPDES) general permit issued by the Department of Environmental Management (IDEM) for the purposes of the county onsite waste management district law is necessary or advisable to enable new county onsite waste management districts to function properly and effectively, the IDEM shall amend the general permit as soon as reasonably possible after June 30, 2023.

Holding Tanks: The bill provides that septage that originates from a residential or commercial source may be held in one or more holding tanks of not more than 10,000 gallons until removed and transported from the site. It establishes requirements for septage holding tanks. It requires a permit from the local health department for the operation of a septage holding tank. It requires a septage tank owner to: (1) enter into a written contract with a septage management vehicle operator for regular removal of septage from the tank; (2) provide a copy of the contract to the local health department; and (3) provide proof to the local health

department that the tank owner is regularly paying for the removal of septage from the holding tank. It requires a local health department to report to the IDEM concerning the septage tanks in its jurisdiction, and authorizes the adoption of rules or guidelines concerning the reports.

Effective Date: Upon passage.

Explanation of State Expenditures: *Onsite Residential Sewage Discharging Disposal Systems:* The bill could increase workload as it authorizes the adoption of guidelines or rules by the ERB, the IDOH's Technical Review Panel, or the IDOH (with guidance from their Technical Review Panel) for purposes of guiding local health departments regarding the issuance of operating permits for onsite residential sewage discharging disposal systems. Additionally, the bill requires the IDEM to amend the NPDES general permit, if necessary or advisable to enable the county onsite waste management districts to function properly.

Holding Tanks: The bill allows the ERB to adopt rules, or the IDEM to establish guidelines regarding the frequency and content of the reports required for permittees of holding tanks, to be submitted to local health departments. Local health departments would be required to report this information to the IDEM.

Explanation of State Revenues: *Onsite Residential Sewage Discharging Disposal Systems:* The bill could increase revenue for NPDES permits as it expands the allowable use of onsite residential sewage discharging disposal systems to any county with a county onsite waste management district (currently allowed only in Allen County).

Explanation of Local Expenditures: *Local Health Departments:* The bill would increase workload and expenditures for any local health department that establishes a permitting program for onsite residential sewage discharging disposal systems. The bill may also increase workload for local health departments, as it allows them to establish requirements for the issuance of holding tank permits. If a local health department chooses to issue holding tank permits, they would be required to report to IDEM certain information (the content and frequency determined by the ERB or IDEM, if rules or guidelines are set).

Explanation of Local Revenues: *Local Health Departments:* The bill could increase permit fee revenue for local health departments for the issuing of permits for onsite residential sewage discharging disposal systems and permits for holding tanks.

State Agencies Affected: Department of Environmental Management; Environmental Rules Board; Department of Health Technical Review Panel.

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

Information Sources: Indiana Department of Health, Onsite Sewage Systems Program and Testing Laboratories;

<https://www.in.gov/health/eph/onsite-sewage-systems-program/>;

<https://www.in.gov/health/laboratories/chemistry-laboratories/environmental-chemistry/>;

<https://www.in.gov/health/laboratories/files/CERTIFIED-IN-STATE-LABS.pdf>;

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