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

LS 6535 NOTE PREPARED: Dec 10, 2025

BILL NUMBER: HB 1110 BILL AMENDED:

SUBJECT: PFAS Chemicals.

FIRST AUTHOR: Rep. Cash

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: X GENERAL IMPACT: State & Local

 $\begin{array}{cc} \underline{X} & DEDICATED \\ & FEDERAL \end{array}$

<u>Summary of Legislation:</u> *PFAS Requirements:* This bill requires the Department of Environmental Management (IDEM) to adopt maximum contaminant levels for PFAS chemicals and effluent limitation standards for wastewater containing PFAS chemicals by July 1, 2027. It creates various compliance requirements for direct dischargers and indirect dischargers. It also establishes various civil penalties.

Fund and Grant Program: This bill establishes the PFAS Chemical Testing and Remediation Fund. It also creates a PFAS chemical grant program.

Effective Date: July 1, 2026.

Explanation of State Expenditures: *PFAS Requirements:* The bill's requirements will increase workload for IDEM but should be able to be implemented using existing staffing and resources.

Beginning in FY 2030, expenditures will increase for any state owned treatment works assessed with a civil penalty for violating the effluent limitation standards regarding PFAS chemicals [See *Explanation of State Revenues*]. Additionally, workload, and potentially expenditures, will increase for state owned treatment works to establish control mechanisms to reduce, regulate, and monitor the discharge of PFAS chemicals into the waters of the state, and to submit the reports required in the bill.

Fund and Grant Program: The bill establishes the nonreverting PFAS Chemical Testing and Remediation Fund, to be administered by IDEM, to offset filtration and purification costs, test wells and biosoils, provide blood testing, and remediate extreme exposure events regarding PFAS chemicals. The fund consists of appropriations, civil penalties, gifts, grants, donations. The bill does not make an appropriation to the fund. Expenses for administrating the fund shall be paid from the fund.

The bill also establishes, not later than July 1, 2029, a grant program to award funding to water utilities, volunteer fire departments, and individuals for PFAS filtration, purification, and testing, as prescribed in the bill. Establishing the fund and grant program will increase workload for IDEM but should be able to be implemented using existing staffing and resources.

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<u>Additional Information</u>: A publicly owned treatment works entity is a treatment works, as defined by Section 212(2) of the Clean Water Act, that is owned by the state or a municipality. The term also means the municipality, as defined by Section 502(4) of the Clean Water Act, that has jurisdiction over the indirect discharges to and the discharges from such a treatment works.

Explanation of State Revenues: *PFAS Requirements:* Beginning in FY 2030, IDEM may assess a civil penalty of up to \$25,000 per day against a publically owned treatment works for violating the effluent limitation standards regarding PFAS chemicals. [The civil penalty increases to \$500,000 for a treatment works that continuously violates these standards.] Revenue from the civil penalties will be deposited into the PFAS Chemical Testing and Remediation Fund established by the bill.

Court Fees: Beginning in FY 2030, the bill allows a person to file a private action against a direct discharger or indirect discharger that violates the requirements of the bill. If additional civil cases occur and court fees are collected, revenue to the state General Fund will increase. The total revenue per case would range between \$100 and \$122. The amount deposited will vary depending on whether the case is filed in a court of record or a municipal court. The following linked document describes the fees and distribution of the revenue: Court fees imposed in civil, probate, and small claims cases.

Explanation of Local Expenditures: *PFAS Requirements:* Beginning in FY 2030, expenditures will increase for any locally owned treatment works assessed with a civil penalty for violating the effluent limitation standards regarding PFAS chemicals [See *Explanation of State Revenues*]. Additionally, workload, and potentially expenditures, will increase for locally owned treatment works to establish control mechanisms to reduce, regulate, and monitor the discharge of PFAS chemicals into the waters of the state, and to submit the reports required in the bill.

Explanation of Local Revenues: Court Fees: If additional cases occur, revenue will be collected by certain local units. If the case is filed in a court of record, the county will receive \$32 and qualifying municipalities will receive a share of \$3. If the case is filed in a municipal court, the county receives \$20, and the municipality will receive \$37. The following linked document describes the fees and distribution of the revenue: Court fees imposed in civil, probate, and small claims cases.

State Agencies Affected: Department of Environmental Management; state owned treatment works.

Local Agencies Affected: Locally owned treatment works, trial courts, city and town courts.

<u>Information Sources:</u> 327 IAC 5-1.5-48; Indiana Supreme Court, Indiana Trial Court Fee Manual.

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