

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

LS 6849
BILL NUMBER: SB 277

NOTE PREPARED: Jan 23, 2026
BILL AMENDED: Jan 22, 2026

SUBJECT: Indiana Department of Environmental Management.

FIRST AUTHOR: Sen. Niemeyer
FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill amends, repeals, or adds certain terms. It makes certain changes concerning the purpose, structure, and powers of the Department of Environmental Management or the Environmental Rules Board. It makes certain changes to various boards or funds. It eliminates or amends rulemaking provisions.

This bill makes certain changes to hearing and permitting processes. It changes or eliminates certain reporting requirements. It makes various changes to the water pollution statutes. It makes various changes to the solid waste and hazardous waste management statutes. It repeals or amends various sections regarding: (1) hazardous substances; (2) the voluntary remediation programs; (3) regional water districts; and (4) citizen lawsuits. It amends provisions concerning the establishment of certain fees and the use of fee schedules. It repeals the Division of Pollution Prevention and the Office of Voluntary Compliance. It also makes conforming, stylistic, and technical changes.

Effective Date: July 1, 2026.

Explanation of State Expenditures: (Revised) *Electronic Waste Fund*: The bill removes the requirement that IDEM recommend to the General Assembly that the registration fee, or the proportion of sales from video display devices required to be recycled, be lowered to reduce revenue to the Electronic Waste Fund if the fund exceeds the amount required for its permitted uses.

(Revised) *Restrictive Covenant*: The bill allows IDEM to impose a restrictive covenant on a facility or site where remediation objectives have not been met. IDEM would need to pay filing fees to file restrictive covenant documents with county recorders.

(Revised) *Boards*: The bill adds one lay member to the Petroleum Storage Tank Financial Assurance Board which will have a minor increase in expenses for per diem and travel reimbursement. [The board met once in FY 2025 and once during the first half of FY 2026.] The bill sunsets the Petroleum Storage Tank Financial Assurance Board on July 1, 2031. The bill adds two new ex-officio, nonvoting members to the Environmental

Rules Board (ERB). Ex-officio members do not receive compensation.

(Revised) *IDE M Workload Impacts*: The bill makes the following changes regarding permitting and remediation that will impact IDEM workload: transfers duties regarding the Septage Management Permit Program (from the ERB); extends the time allowed for IDEM to make a determination on certain permit applications; and modifies requirements regarding remedial actions and extends the minimum time frame for applicants to submit a proposed voluntary remediation work plan to IDEM.

The bill makes the following changes regarding administration of the agency and administrative rules and policies that will impact IDEM workload: restructures the makeup of divisions within IDEM; makes changes to public hearing requirements and criteria for public rule proposals; provides that certain new policies put into effect after July 1, 2026 expire after five years unless reauthorized, and modifies requirements regarding mandatory reports for recycling activity and composting.

The bill will decrease workload for IDEM as it removes certain reporting requirements, removes requirements to develop certain information clearinghouses and to assist in the development and implementation of public education programs, eliminates requirements to assist local units in developing programs and facilities for pollution control and water/waste management, and eliminates certain required notices from state agencies and state institutions.

(Revised) *Workload Impacts for Various Agencies*: The bill will reduce workload for the DNR by no longer requiring notices of actions taken by citizens, businesses, associations, or public officers/agencies to be filed with the agency. It also codifies the existing practice of having the ISDA Director rather than the Lieutenant Governor as a member of the ERB.

The bill will reduce workload for all state agencies and state institutions as it removes the requirement that all state agencies and institutions must report to IDEM any plans or activities that affect or may affect the environment of Indiana, and including in certain recommendations and reports an environmental impact including unavoidable environmental effects, alternative approaches, and other related information.

Legislative Committees: The bill eliminates the requirement that, once every five years, an interim study committee or a statutory committee must assess solid waste management districts and determine if any changes should be made to their governing statutes. It also requires IDEM to file certain information to either the House or the Senate Environmental Affairs Committee rather than the Interim Study Committee on Environmental Affairs.

Explanation of State Revenues:

Explanation of Local Expenditures: Workload: Solid waste districts will no longer be required to conduct public educational programs regarding electronic waste.

Explanation of Local Revenues: Filing Fees: If the bill results in additional restrictive covenants being filed by IDEM, then county recorders may receive additional fees for the filing of these restrictive covenants.

State Agencies Affected: Indiana Department of Environmental Management; Environmental Rules Board; Office of Administrative Law Proceedings; Department of Natural Resources; Indiana State Department of Agriculture; Lieutenant Governor, all state agencies and state institutions.

Local Agencies Affected: Solid waste districts; county recorders.

Information Sources: Alexander Goodnight, IDEM;
www.nrc.gov/info-finder/region-state/indiana;
supreme.justia.com/cases/federal/us/461/190;
www.in.gov/idem/legal/rulemaking/petroleum-storage-tank-financial-assurance-board-packets.

Fiscal Analyst: Jason Barrett, 317-232-9809.