

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

LS 6849

BILL NUMBER: SB 277

NOTE PREPARED: Feb 16, 2026

BILL AMENDED: Feb 16, 2026

SUBJECT: Indiana Department of Environmental Management.

FIRST AUTHOR: Sen. Niemeyer

FIRST SPONSOR: Rep. Baird

BILL STATUS: CR Adopted - 2nd House

FUNDS AFFECTED: X GENERAL
 X 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 (IDEM) or the Environmental Rules Board. It prohibits IDEM from basing a decision primarily on federal risk values that have not been promulgated through federal rulemaking. It instructs IDEM to avoid the use of federal risk values that are at or below background concentrations in air, water, soil, or sediment. It also provides that IDEM shall focus on state prioritized PFAS chemicals when PFAS chemicals are relevant to carrying out IDEM's duties.

This bill makes certain changes to various boards or funds. It eliminates or amends rulemaking provisions. It 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 also makes various changes to the solid waste and hazardous waste management statutes.

This bill 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: *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.

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) *IDEM 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; modifies requirements regarding remedial actions and extends the minimum time frame for applicants to submit a proposed voluntary remediation work plan to IDEM; and modifies the information required before IDEM may take corrective action regarding underground and aboveground storage tanks.

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; removes the requirement that IDEM designate an ombudsman for regulatory and permitting matters under the Technical and Compliance Assistance Program; 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; requires IDEM to focus on state prioritized PFAS chemicals when such chemicals are relevant to carrying out required duties; 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 codifies the existing practice of having the ISDA Director rather than the Lieutenant Governor as a member of the ERB. It also requires the ERB to amend rules regarding the transfer, treatment, storage, or disposal of hazardous waste.

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:

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.

Information Sources: Alexander Goodnight, IDEM;
www.nrc.gov/info-finder/region-state/indiana;
www.in.gov/idem/legal/rulemaking/petroleum-storage-tank-financial-assurance-board-packets.

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