

**STATE and LOCAL
FISCAL IMPACT**

Drafting Number: LLS 13-0142
Prime Sponsor(s): Sen. Aguilar
 Rep. May

Date: February 6, 2013
Bill Status: Senate Health & Human Services
Fiscal Analyst: Alex Schatz (303-866-4375)

TITLE: CONCERNING THE CONTINUATION OF THE ASBESTOS ABATEMENT CERTIFICATION PROCESS CONDUCTED BY THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT, AND, IN CONNECTION THEREWITH, IMPLEMENTING THE DEPARTMENT OF REGULATORY AGENCIES' RECOMMENDATIONS IN THE 2012 SUNSET REPORT.

Fiscal Impact Summary	FY 2013-2014	FY 2014-2015
State Revenue		
Cash Funds		
Stationary Sources Control Fund		\$1,182,914
State Expenditures		
Cash Funds		
Stationary Sources Control Fund		\$1,000,259
FTE Position Change		10.4 FTE
Effective Date: Upon signature of the Governor, or upon becoming law without his signature.		
Appropriation Summary for FY 2013-2014: None required.		
Local Government Impact: See Local Government Impact section.		

Summary of Legislation

Under current law, the asbestos abatement program in the Department of Public Health and Environment (DPHE) is set to expire after the current fiscal year. The bill extends authority for the program until September 1, 2022. The bill also amends existing requirements to include a provision that local governments compel applicants for renovation and demolition permits to disclose knowledge that an asbestos inspection has been performed at the subject property.

Fiscal impact of programs set to expire. This bill continues a program in the DPHE that is set to expire, effective July 1, 2013. Under current law, state agencies may be appropriated funds to wind up the affairs of an expiring program for 12 months following the repeal date. To account for the wind-up period, the impact of extending the program beyond the current repeal date is shown as beginning in FY 2014-15, one year after the repeal date. Ongoing funding for the program is included in the department's base budget request for FY 2013-14.

Background

The asbestos abatement certification process and related activities are administered by the Air Pollution Control Division (APCD) in the DPHE. The DPHE base budget request for FY 2013-14 includes \$1,182,914 (of which \$182,655 is for indirect costs) and 10.4 FTE for the asbestos abatement program.

State Revenue

The APCD collects certification fees ranging from \$125 for an asbestos worker to \$3,000 for an out-of-state asbestos contractor, and project permit fees ranging from \$180 to \$1,200 depending on the length of the job and type of property. Fees are authorized under current law to cover the direct and indirect costs of asbestos regulation, and the fiscal note therefore assumes that renewal of the program results in continued revenues of \$1,182,914, an amount commensurate with state expenditures for the program.

State Expenditures

Direct costs in the APCD are \$1,000,259 to continue the asbestos abatement program. These costs, including contracts with local health authorities (LHAs), are detailed in Table 1.

Cost Components	FY 2013-14	FY 2014-15
Personal Services		\$868,152
FTE		10.4
Operating Expenses		48,429
Legal Services		83,678
TOTAL		\$1,000,259

The bill's new disclosure requirement for renovation and demolition permits issued by local governments does not result in any change in DPHE workload or costs.

Local Government Impact

Local government revenue to LHAs is continued at an estimated \$83,678, based on current funding levels. This amount is subject to variation from year to year.

Local governments will incur minimal costs to update building permit application forms for permits to renovate or demolish property. Local governments are not required to obtain a disclosure from applicants until such forms have been updated as a matter of standard practice.

Departments Contacted

Public Health and Environment
Counties

Local Affairs
Municipalities

Regulatory Agencies
Public Safety