

FISCAL NOTE

STATE OF ALASKA 2023 LEGISLATIVE SESSION

Identifier (file name)	SB067-DEC-SPAR-05-01-24	Bill Version	HCS CSSB 67(FIN)
Title	PFAS USE FIREFIGHTING	Fiscal Note Number	
		(-) Publish Date	
		Dept. Affected	Environmental Conservation
		Appropriation	Spill Prevention and Response
		Allocation	Spill Prevention and Response
Sponsor	Senator Kiehl	OMB Component Number	
Requester	House Finance		3094

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	FY2024 Appropriation Requested	Included in Governor's FY2024 Request	Out-Year Cost Estimates				
			FY2024	FY2024	FY2025	FY2026	FY2027
OPERATING EXPENDITURES	FY2024	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous							
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FUND SOURCE	(Thousands of Dollars)						
1002 Fed Rcpts (Fed)							
1003 GF/Match (UGF)							
1004 Gen Fund (UGF)							
1005 GF/Prgm (DGF)							
1007 I/A Rcpts (Other)							
1037 GF/MH (UGF)							
	0.0	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS							
Full-time							
Part-time							
Temporary							

CHANGE IN REVENUES	FY2024	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029
1004 Gen Fund (UGF)							
1002 Fed Rcpts (Fed)							
TOTAL CHANGE IN REVENUES	0.0						

Estimated SUPPLEMENTAL (FY2023) operating costs 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2024) costs 2,500.0 (separate capital appropriation required)

Does the bill create or modify a fund or account? No
(Supplemental/Capital/New Fund- discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS	
Does the bill direct, or will the bill result in, regulation changes adopted by your agency?	<u>Yes</u>
If yes, by what date are the regulations to be adopted, amended, or repealed?	<u>12/31/2024</u> Discuss details in analysis section.
Why this fiscal note differs from previous version/comments (if initial version, please note as such)	
Not applicable; initial version.	

Prepared by	Crystal Koeneman, Legislative Liaison	Phone 907-465-5871
Division	Commissioner's Office	Date/Time <u>5/1/24 1:30 PM</u>
Approved by	Megan Kohler, Administrative Service Director	Date <u>5/1/2024</u>
Agency	Department of Environmental Conservation	

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2023 LEGISLATIVE SESSION

BILL NO. HCS CSSB 67(FIN)

Analysis

The bill prohibits the use of firefighting substances containing PFAS, except in specific cases such as oil and gas facilities unless safer alternatives are mandated by the state fire marshal.

Additionally, it establishes a reimbursement program under the Department of Environmental Conservation. This program will aide communities with populations under 2,000 and off-road systems, or those with partially state-funded fire safety projects, enabling them to hire third-party contractors for PFAS disposal. The Department will prioritize reimbursement for disposal activities, including equipment replacement.

Regulations will need to be developed to establish the reimbursement program. Current division staff will be used to process the reimbursements.

Reimbursement activities required under the bill would require an additional state expenditure. FY25 Capital costs are recommended to come from 1004 (UGF) as DEC cannot absorb this ask within our existing resources.

Cost estimates are based on a range of costs from ~\$6.0 for disposal via mostly road, to ~\$10.0 by mostly barge, and ~\$15.0 by mostly air to dispose of the 35 gallons (5-gallon AFFF container in an overpack container and the 30 gallons substance in the firefighting equipment to be drained into a 55-gallon drum). These estimates do not include site survey cost estimates. The list of communities that received Project Code Red equipment appears to require more air travel than road or barge and, therefore, the estimate provided reflects a higher average between the barge and air options.

Additional funding needs were included to account for the disposal of equipment and the replacement of contaminated equipment.

Depending on the utilization of this program for the disposal of PFAS, contaminated equipment, and the replacement of contaminated equipment additional capital funding and personnel may be required.

In addition to program costs, there is the real potential for liability costs associated with PFAS disposal that cannot be quantified at this time but, under reasonable consideration, could far exceed the costs of this fiscal note should a spill or mishandling of the PFAS-containing firefighting substance occur, even outside of the state's control.