

# Fiscal Note

State of Alaska  
2021 Legislative Session

Bill Version: HB 171  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: HB171-DEC-SPAR-04-23-21  
Title: PFAS USE & REMEDIATION; FIRE/WATER SAFETY  
Sponsor: HANNAN  
Requester: House Resources

Department: Department of Environmental Conservation  
Appropriation: Spill Prevention and Response  
Allocation: Spill Prevention and Response  
OMB Component Number: 3094

## Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

|                               | FY2022<br>Appropriation<br>Requested | Included in<br>Governor's<br>FY2022<br>Request | Out-Year Cost Estimates |                |                |                |                |
|-------------------------------|--------------------------------------|--|-------------------------|----------------|----------------|----------------|----------------|
|                               |                                      |  | FY 2023                 | FY 2024        | FY 2025        | FY 2026        | FY 2027        |
| <b>OPERATING EXPENDITURES</b> | <b>FY 2022</b>                       | <b>FY 2022</b>                                 | <b>FY 2023</b>          | <b>FY 2024</b> | <b>FY 2025</b> | <b>FY 2026</b> | <b>FY 2027</b> |
| Personal Services             | 445.1                                |  | 445.1                   | 445.1          | 445.1          | 445.1          | 445.1          |
| Travel                        | 10.0                                 |  | 10.0                    | 10.0           | 10.0           | 10.0           | 10.0           |
| Services                      | 4,642.4                              |  | 5,053.8                 | 5,506.3        | 6,004.0        | 6,551.6        | 7,153.9        |
| Commodities                   | 45.0                                 |  | 2.0                     | 2.0            | 2.0            | 2.0            | 2.0            |
| Capital Outlay                |                                      |  |                         |                |                |                |                |
| Grants & Benefits             |                                      |  |                         |                |                |                |                |
| Miscellaneous                 |                                      |  |                         |                |                |                |                |
| <b>Total Operating</b>        | <b>5,142.5</b>                       | <b>0.0</b>                                     | <b>5,510.9</b>          | <b>5,963.4</b> | <b>6,461.1</b> | <b>7,008.7</b> | <b>7,611.0</b> |

## Fund Source (Operating Only)

|                     |                |            |                |                |                |                |                |
|---------------------|----------------|------------|----------------|----------------|----------------|----------------|----------------|
| 1004 Gen Fund (UGF) | 5,142.5        |            | 5,510.9        | 5,963.4        | 6,461.1        | 7,008.7        | 7,611.0        |
| <b>Total</b>        | <b>5,142.5</b> | <b>0.0</b> | <b>5,510.9</b> | <b>5,963.4</b> | <b>6,461.1</b> | <b>7,008.7</b> | <b>7,611.0</b> |

## Positions

|           |     |  |     |     |     |     |     |
|-----------|-----|--|-----|-----|-----|-----|-----|
| Full-time | 4.0 |  | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 |
| Part-time |     |  |     |     |     |     |     |
| Temporary |     |  |     |     |     |     |     |

## Change in Revenues

|              |            |            |            |            |            |            |            |
|--------------|------------|------------|------------|------------|------------|------------|------------|
| None         |            |            |            |            |            |            |            |
| <b>Total</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |

**Estimated SUPPLEMENTAL (FY2021) cost:** 0.0 (separate supplemental appropriation required)

**Estimated CAPITAL (FY2022) cost:** 0.0 (separate capital appropriation required)

**Does the bill create or modify a new 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? No  
If yes, by what date are the regulations to be adopted, amended or repealed?

## Why this fiscal note differs from previous version/comments:

Not applicable; initial version.

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Date: 04/23/2021  
Date: 04/23/21

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2021 LEGISLATIVE SESSION

BILL NO. HB 171

### Analysis

The bill defines and establishes concentration limits for per- and polyfluoroalkyl substances (PFAS) in drinking water. It requires the Department of Environmental Conservation to ensure the responsible party tests all drinking water in areas where PFAS has been released near a water source. If the results are above the limits established by the bill, the Department is required to ensure the responsible party provide alternative drinking water and voluntary blood testing at no cost to the impacted individuals. The bill also requires that the Department ensures PFAS-exposed responders are provided voluntary blood testing. It prohibits the use of PFAS containing firefighting substances once no longer required by federal law. The bill would require the Department to publish public notice when the use of a firefighting substance that contains PFAS is no longer required by federal law and accept for disposal up to 25 gallons annually of PFAS containing firefighting substances from a person domiciled in Alaska.

Since the extent of PFAS contamination in Alaska is unknown, there is some uncertainty in calculating these annual expenditure amounts.

As with any contaminated substance release, the Department anticipates some responsible parties will not have the capacity to cover the costs for testing and alternative water, and that the State will ultimately bear a portion of those costs to ensure the safety of Alaskans.

#### **Personal Services:**

The Division of Spill Prevention and Response will require three additional positions at the Environmental Program Specialist III level, and one position at the Environmental Program Specialist IV to provide oversight and ensure responsible parties comply with PFAS testing, monitoring, providing alternative drinking water, and assessment activities.

#### **Travel:**

Travel would be required for program staff to conduct outreach, investigation, training, assessment, and site assessment activities.

#### **Contractual:**

Contractual costs include water sampling and testing of sites where PFAS has been released, as well as providing alternative sources of drinking water to those relying on impacted drinking water wells, and blood testing for sites where there is no known or capable responsible party. The Department will need to contract with a third party to dispose of PFAS containing firefighting substances. The Department anticipates consulting with the Department of Law frequently in identifying site ownership. As the testing continues, the universe of impacted sites would be expected to continue to grow, increasing these contractual costs each year.

#### **Commodities:**

Supply costs reflect new employee costs in the first year, and general office supplies in the out years.