

Fiscal Note

State of Alaska
2024 Legislative Session

Bill Version:	HCS CSSB 67(FIN)
Fiscal Note Number:	4
(H) Publish Date:	5/3/2024

Identifier: SB067HCSCS(FIN)-DEC-SPAR-05-01-24
 Title: PFAS: USE FOR FIREFIGHTING, DISPOSAL
 Sponsor: KIEHL
 Requester: House Finance

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)

	FY2025	Included in	Out-Year Cost Estimates					
	Appropriation Requested	Governor's FY2025 Request	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
OPERATING EXPENDITURES	FY 2025	FY 2025	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
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	0.0

Fund Source (Operating Only)

None								
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time								
Part-time								
Temporary								

Change in Revenues

None								
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2024) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2025) cost: 2,500.0 *(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? **Yes**
 If yes, by what date are the regulations to be adopted, amended or repealed? 12/31/24

Why this fiscal note differs from previous version/comments:

Not applicable; initial version.

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 Agency: Department of Environmental Conservation

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FISCAL NOTE ANALYSIS

STATE OF ALASKA
2024 LEGISLATIVE SESSION**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.