

MEMORANDUM



JOINT BUDGET COMMITTEE

TO Members of the Joint Budget Committee
FROM Tom Dermody, JBC Staff (303-866-4963)
DATE May 12, 2020
SUBJECT Legislation Concerning PFAS

During staff's budget balancing presentation for the Department of Public Health and Environment, Administration and Environmental Divisions, on May 5, 2020, the Committee tabled the BA2 (PFAS and emerging contaminants toxicology) decision item to assess the impacts of separate standalone legislation related to this issue. Staff is aware of two bills that are active and one that is currently in drafting that are related to this issue:

- H.B. 20-1042 (PFAS Manufacturer Notice Requirements),
- H.B. 20-1119 (State Gov Regulations of PFAS), and
- A bill to create Emerging Contaminants Enterprise.

H.B. 20-1042 clarifies the date by which manufacturers of certain class B firefighting foam must notify their sellers that the product can no longer be sold. The Fiscal Note for H.B. 20-1042 indicates that no appropriations are required and that there is no fiscal impact on state and local governments. This bill was signed into law by the Governor on March 23, 2020.

House Bill 20-1119, as introduced, requires the Solid and Hazardous Waste Commission in the Department to establish a certificate of registration for any facility, fire department, or lessee subject to federal rules and regulations that possess or use PFAS in their operations. This bill was heard by the House Energy and Environment Committee on March 9, 2020, and sustained substantial amendments that affect the introduced bill's fiscal impact. The bill has been assigned to the House Finance Committee. Legislative Council Staff has provided JBC Staff with an initial draft assessment of the fiscal impact of the amendments to the bill. The bill has a relatively small fiscal impact, with cash funds revenue of \$63,600 and expenditure increases of \$43,836 cash funds in FY 2020-21.

The unIntroduced PFAS enterprise bill will create a state enterprise to manage petroleum fire-related PFAS risks through measures such as the development of feasibility investigations, provision of support for sampling and assessments, grants to utility systems for infrastructure needs, grants to current and former users of class B firefighting foam for remediation activities, emergency response assistance, and take-back programs. The new enterprise will establish fees for registration, petroleum storage, and aviation fuels. These fund sources are identified in the draft legislation because the class B firefighting foam subject to the bill are used and designed exclusively for petroleum fires. The draft bill establishes a maximum of \$8.0 million per year in revenue generated by these fees.