

# **Fiscal Note**



Fiscal Services Division

SF 455 – Storm Water Regulation (LSB1480SV.2)

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Fiscal Note Version - Final Action

### **Description**

<u>Senate File 455</u> relates to local regulation of topsoil and storm water at construction sites. Provisions in the Bill include:

- Defining "construction site" to mean a site or common plan of residential or commercial development, including a single-unit or multiple-unit residential building.
- Defining "topsoil" as the same as defined in the National Pollutant Discharge Elimination System (NPDES) General Permit Number (No.) 2 as issued by the Department of Natural Resources (DNR).
- Prohibiting a county or city from adopting or enforcing an ordinance, resolution, or amendment regarding topsoil at a construction site that is more restrictive than those requirements provided in NPDES General Permit No. 2.
- Allowing a county or city to adopt or enforce an ordinance, motion, resolution, or amendment that regulates storm water runoff at a construction site for 5- to 100-year rainfall events only if the storm water flow rate is not more restrictive than the existing flow rate of a 5-year rainfall event, with all runoff rates based on site conditions at the time construction commences.
- Allowing a county or city to adopt or enforce an ordinance, motion, resolution, or amendment that regulates storm water runoff from upstream properties adjacent to a construction site if the runoff is allowed to pass through downstream storm water basins at the same flow rates as off-site storm water runoff entering the construction site.
- Allowing a county or city to impose storm water runoff requirements that are more restrictive than what is allowed or required by the DNR if the county or city pays for all study, design, and engineering costs associated with implementing the storm water runoff requirement; pays for one-half of any equipment or practices required for a property owner to comply with the requirement; pays the property owner the fair market value of any property or easement taken to impose the requirement; and pays the costs incurred without imposing a special assessment or otherwise recovering the costs solely from the property owner for the costs attributable to the county or city.
- Allowing a county or city to impose a storm water runoff requirement that is more restrictive than established in federal or State law if the county or city and the owner of the affected property agree to the requirement.
- Allowing a county or city to request that the DNR review the soil of a construction site to verify whether a NPDES General Permit No. 2 is appropriate for the site.

## **Background**

lowa Code sections <u>331.301</u> and <u>364.3</u>, which are amended in the Bill, outline the general powers and limitations of county and city governments, respectively.

The DNR's NPDES <u>General Permits</u> allow the DNR to allocate resources efficiently to provide timely permit coverage for multiple facilities in a permit application and allow for consistency.

The DNR's NPDES <u>General Permit No. 2</u> relates specifically to storm water related to construction activities.

# **Assumptions**

- The expenditure requirements in the Bill are voluntary. However, at least one county or city
  will establish storm water requirements that will require local government expenditures for
  study, design, or engineering costs; equipment or practices; or property, as outlined in the
  Bill.
- The costs to a county or city for creating storm water requirements that are more restrictive than what is allowed or required by the DNR cannot be determined and will vary depending on individual circumstances.
- There will be approximately 900 inspections of construction sites conducted by the DNR.
- The DNR will require new full-time equivalent (FTE) positions to complete these inspections. The salary and benefits for one inspector will be \$150,000 per year.
- There will be one-time equipment costs including vehicles, clothing, and computers associated with the new inspector FTE positions.

#### **Fiscal Impact**

The fiscal impact of the Bill to counties and cities cannot be estimated as it is unknown how many studies would be needed and it is unknown how many counties or cities would create more restrictive storm water requirements.

The DNR estimates that SF 455 will require approximately \$1.7 million and 8.0 new FTE positions for inspectors in FY 2025 to conduct the inspections of construction sites requested by cities and counties. This would include a total ongoing cost of \$1.2 million per year for salaries and a total one-time cost of approximately \$520,000 for equipment and other operational expenses for FY 2025.

## **Sources**

Department of Natural Resources Iowa State Association of Counties Legislative Services Agency

	/s/ Jennifer Acton
	April 29, 2024
Doc ID 1449245	
The fiscal note for this Bill was prepared pursu	uant to Joint Rule 17 and the Iowa Code. Data used in developing this
• • • •	uant to <u>Joint Rule 17</u> and the Iowa Code. Data used in developing this s Division of the Legislative Services Agency upon request.

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