NORTH CAROLINA GENERAL ASSEMBLY
LEGISLATIVE FISCAL NOTE

BILL NUMBER: House Bill 515 (Fourth Edition)
SHORT TITLE: Clean Water Responsibility Act
SPONSOR(S): Senate Committee Substitute (Changes title)

FISCAL IMPACT

Yes (x) **No ( )** **No Estimate Available (x)**

EXPENDITURES	**FY 1997-98**	**FY 1998-99**	**FY 1999-00**	**FY 2000-01**	**FY 2001-02**
State General Fund:					
Commerce					
Community Assistance	implemented with existing resources (See Assumptions and Methodology)				
DEHNR					
Air Quality	no estimate available (See Assumptions and Methodology)				
Water Quality	no estimate available or minimal (See Assumptions and Methodology)				
Justice					
State Bureau of Investigation	no estimate available (See Assumptions and Methodology)				
Highway Fund					
Transportation	no estimate available (See Assumptions and Methodology)				
NC Clean Water Revolving Loan and Grant Fund	The state can expect more applications from local government units for financial assistance in meeting the nitrogen and phosphorous discharge limits imposed by this bill. However, the amount of moneys available through this fund depends upon annual repayments of principle and interest for outstanding loans, and the availability of federal and state assistance for wastewater treatment systems.				
Local General Funds					
Nutrient Limits	$0.23/gallon to $0.91/gallon to retrofit existing infrastructure $4.00/gallon to construct new wastewater treatment facilities				
Other Provisions Affecting Local Government	no estimate available or minimal (see Assumptions and Methodology)				

POSITIONS: none

PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Department of Environment, Health, and Natural Resources, Division of Air Quality, Division of Water Quality; Department of Commerce, Division of Community Assistance; Department of Transportation; Department of Justice, State Bureau of Investigation; local units of government

EFFECTIVE DATE: When the act becomes law; except for Section 14.4(a) which makes the required components of each basinwide water quality management plan effective January 1, 1998 and Section 14.4(b) which makes the provision requiring certification of persons applying soil enriching nutrients to golf courses effective July 1, 1998.

BILL SUMMARY:

Part I establishes a two-year moratorium on the construction or expansion of swine farms, lagoons and animal waste management systems for swine farms (250 swine). The moratorium is effective from March 1, 1997 to March 1, 1999.

Part II authorizes counties to adopt zoning regulations for swine farms served by an animal waste management system having a design capacity of 600,000 pounds steady state live weight or more. Zoning regulations adopted by counties may not exclude swine farms from the entire zoning jurisdiction and will not apply to swine farms in existence at the time the ordinance is adopted.

Part III directs the Environmental Management Commission to adopt standards to control the emission of odors from animal operations, including swine, cattle, horses, sheep and poultry, by March 1, 1999.

Part IV prohibits the construction of any component of a liquid animal waste management system serving an animal operation, other than a land application site, on land that is located within the 100-year flood plain. This part also adds the county manager and the local health director to the written notification requirements of the state's Swine Farm Sitting Act.

Part V adds the existence of a comprehensive land-use plan to the priority criteria for receiving a grant or loan from the NC Clean Water Revolving Loan and Grant Fund. The Division of Community Assistance is required to provide technical assistance to any economically distressed local unit of government requesting assistance with the preparation and development of a land-use plan. The Environmental Management Commission must develop priority criteria for modifications to wastewater treatment facilities required to meet nitrogen and phosphorous limits for surface waters.

Part VI prohibits facilities that discharge into Nutrient Sensitive Waters or into other surface waters where nitrogen is a nutrient of concern from discharging more than an amount of nitrogen than would result from a permitted flow at 4.0 milligrams per liter (mg/l). Also prohibits facilities that discharge into surface waters where phosphorous is a nutrient of concern from discharging more than an amount of phosphorous than would result from a permitted flow at 2.0 mg/l. Facilities subject to the nitrogen and phosphorous discharge limits may form cooperative agreements in order to satisfy the limits.

Part VII directs the Environmental Management Commission to develop model stormwater management programs that may be implemented by state agencies and local units of government. Also requires the Department of Transportation to work with the Division of Water Quality to complete the development of a statewide stormwater management permit to govern all programs administered by Transportation.

Part VIII requires the Environmental Management Commission to develop and implement a basinwide water quality management plan for each of the state's 17 major river basins. Also requires all point and nonpoint sources of nutrients and toxins to be considered in the development and implementation of these plans. The Environmental Management Commission is directed to increase its efforts to involve the public in the development and implementation of basinwide water quality management plans.

Part IX establishes a certification and training program for persons who apply soil enriching nutrients to golf courses and prohibits the owner or person in control of a golf course from allowing an uncertified person from applying soil enriching nutrients to the golf course. The Water Pollution Control System Operators Certification Commission (WPCSOCC) is directed to develop and administer the certification program and to establish a training program for persons who apply soil enriching nutrients to golf courses.

Part X requires the development of a Violation Points System applicable to permits for animal waste management systems for swine farms. DEHNR is required to develop a recommended system of civil penalties applicable to integrators of swine operations. The part also directs the Environmental Management Commission to study the issue of liability for cleanup costs and appropriate penalties for integrators of swine operations if an operator commits a willful or grossly negligent violation that results in significant environmental damage.

Part XI requires the Secretary of DEHNR to refer to the State Bureau of Investigation the possible commission of any criminal offense of any person or facility that discharges waste in a manner that significantly violates State law related to water and air resources on two or more separate occasions in any three-year period and requires applicants for a permit to discharge to demonstrate the applicant is financially qualified to carry out the activity for which the permit is required.

Part XII directs the Environmental Review Commission to study various issues related to best management practices and other measures to improve, protect and educate the public about water quality.

Part XIII authorizes the Environmental Management Commission to assume control of and operate a publicly owned treatment works that persistently fails to comply with federal and State laws for the protection of public health and the environment. Prior to assuming control, the commission must consult with the Local Government Commission and provide notice of intent to assume control and steps that may be taken to come into compliance to the unit of local government that owns or operates the publicly owned treatment works.

Part XIV repeals a residual "Hardison" amendment that prohibits the adoption of effluent standards for animal feeding operations more stringent that those adopted by the federal government, and contains effective dates. Section 14.4(a) makes the required components of each basinwide water quality management plan effective January 1, 1998. Section 14.4(b) makes the provision requiring certification of persons applying soil enriching nutrients to golf courses effective July 1, 1998. Section 14.4(c) makes all other sections of this act effective when the act becomes law. [1]

ASSUMPTIONS AND METHODOLOGY:

- **Department of Commerce**

Land-Use Planning Assistance

The Senate Committee Substitute for House Bill 515 establishes the existence of a comprehensive land-use plan to the priority criteria for receiving a loan or grant under the Clean Water Revolving Loan and Grant Fund. The land-use plan must (1) be adopted by the governing body of the local government unit covered by the plan, (2) promote economically and environmentally sustainable development, (3) establish verifiable goals, and (4) be approved by the Office of State Planning. The Division of Community Assistance (DCA), Department of

[1] Memorandum to Senate Committee on Agriculture, Environment, and Natural Resources regarding: Proposed Senate Committee Substitute for House Bill 515, prepared by Committee Counsel, June 4, 1997.

Commerce is directed to provide assistance, upon request, to any economically distressed local government unit (defined in Section 5.2) in the preparation of a comprehensive land-use plan.

The division reports information on the current status of land-use plans at the county level; information on municipalities is not known at this time. The following table identifies the current status of land-use plans among the fifty economically distressed local government units:

LUP = Land-Use Plan

Staff for Land-Use Plan Technical Assistance

The estimated number of staff required to provide technical assistance and periodic updates to land-use plans is based on the following assumptions and information on the division's current workload capabilities:

1. DCA currently provides technical assistance, upon request, to local units of government on a number of planning activities.
2. DCA can assist the 50 non-distressed counties from existing resources and staff.
3. The 50 distressed counties may require some additional form of technical assistance.
4. Most counties, including those with land-use plans formally adopted by the Board of Commissioners, will require some form of technical assistance.
5. 11 of the 50 distressed counties are staffed with at least 2 professional planners and will likely require minimal, if any, technical assistance from DCA.
6. 39 of the 50 distressed counties lack the professional expertise or resources to develop a land-use plan without assistance.
7. 9 of the 39 counties without professional planners on staff do not have land-use plans.
8. The remaining 30 counties either have land-use plans adopted by their respective boards, have plans that are not formally adopted but used by staff, or have plans that are prepared but neither adopted nor used.

DCA assumes that it will take 0.33 FTE to provide technical support to those counties without comprehensive land-use plans. Not all local units will submit applications for funding from the Clean Water Revolving Loan and Grant Fund in the first year. Therefore, requests for assistance with plan development are anticipated to take place over a three year period. Based on a three year phase-in period the number of personnel required to assist local government units without professional staff in preparing land-use plans equals 1.00 full time, time-limited FTE (0.33 FTE x 9 counties/ 3 years).

The division also assumes it takes an average of 0.25 FTE to assist those counties with some existing form of land-use plan. Using the same three year phase-in concept with the thirty remaining counties, the division will require 2.00 full time, time-limited FTEs to assist these

areas (0.25 FTE x 30 counties/ 3 years = 2.50 FTE, rounded down to 2.00). These positions will also assist with revisions or updates to existing plans.

The total estimated budget requirements to implement the land-use plan technical assistance section is outlined in the following table:

** Salaries are adjusted to reflect the projected growth estimated for average hourly earnings in manufacturing. The inflation rates are based on forecasts by Data Resources, Inc.*

Current Assistance Programs

Twenty-five professional planners staff the division's seven regional offices and provide assistance upon request with a wide range of planning and management needs at no cost to local governments. Examples of assistance provided include: strategic planning for economic development, downtown revitalization planning, land use planning, growth management planning, and assistance in zoning and annexation issues. In addition, lead regional organizations, councils of government, and professional consultants offer planning services and technical assistance to communities statewide. It is probable that some counties lacking appropriate professional staff and/or land-use plans will utilize the services of other organizations to meet the requirements of the bill.

Although the bill requires DCA to assist the fifty economically distressed counties, estimated workload statistics from 1994 indicate that regional office personnel spent approximately 10% of their project time on activities related to land-use planning among all counties upon request. With recent developments in environmental and conservation related activities, it may be assumed that DCA's workload with respect to land-use planning has increased since this 1994 data.

Given that the division is already responsible for providing assistance to counties upon request, that land-use planning is one of several planning and management activities currently performed by regional staff, and that the number of economically distressed counties that will request assistance is uncertain, the division may be expected to provide additional assistance as required by this bill from existing resources and staff. If DCA is required to use existing resources, activity levels and service provision in other planning areas will decrease.

- **Department of Environment, Health, and Natural Resources**

Control of Odor Emissions from Animal Operations

The Division of Air Quality, Department of Environment, Health, and Natural Resources enforces the state's air quality standards and regulations. As such, the division is expected to have responsibility for administration and enforcement of the odor emission control measures adopted by the Environmental Management Commission, as required by the bill. However, these standards are not required to be adopted until March 1, 1999, and may be required only to the extent that economically feasible technology is available.

The bill requires the UNC Board of Governors to present the findings and recommendations of a study by the Agricultural Research Service on economically feasible odor control technologies to the Environmental Review Commission and the Environmental Management Commission by November 1, 1997. The Environmental Management Commission is required to publish the text of proposed odor emission regulations within six months of receipt of the final report. The Division of Air Quality will not be able to estimate the impact of these requirements until the proposed rules are published. However, in accordance with the Administrative Procedures Act, any significant fiscal impact to state agencies or local governments will be reflected in the fiscal note accompanying the proposed rules.

Stormwater Management

The bill requires the Environmental Management Commission (EMC) to develop model stormwater management programs for state agencies and local governments. The Division of Water Quality may need additional staff to assist and advise the commission on the development of the model program and to coordinate input from various interest groups. However, until the commission defines the parameters of the model programs, additional staffing needs cannot be estimated.

The commission is also required to review stormwater management program proposals submitted for adoption and implementation by state agencies and local governments. According to the department, additional staff will be required to review proposals submitted, make departmental recommendations to the EMC on adoption or modification of the proposals, and provide technical assistance and on-going oversight to ensure proper implementation of the stormwater management model programs at the local level. The additional staff requirements and operating costs required to implement this section cannot be determined until the model programs are developed, and the department has some indication of the number of local programs requesting plan approval.

Basinwide Water Quality Management Plans

The Senate Committee Substitute for House Bill 515 formalizes the authority of the Environmental Management Commission (EMC) to develop and implement basinwide

management plans for each of the state's seventeen river basins. The department began implementing a basinwide permitting schedule in 1990 and published the first basinwide plan in 1993. Currently, draft plans are reviewed and revised based on a series of public hearings, final plans are adopted by the EMC, and existing plans are updated every five years. This bill does not significantly alter the current basinwide planning process; therefore, the fiscal impact on the Division of Water Quality is expected to be minimal. However, should the EMC decide to adopt rules to implement specific strategies from a particular basinwide plan, additional resources may be required by the division to implement, administer and enforce the regulations. Such costs should be reflected in the fiscal note accompanying the proposed rules as required by the Administrative Procedures Act (APA).

In addition, if the EMC intends to adopt a significant number of rules under this section, the department will likely require additional staff to perform economic impact analyses, which are also required by the APA. Implementation of the basinwide plans is expected to be comprehensive with respect to strategies that address point and nonpoint sources of pollution, and as such, the related rules can be expected to have a total economic impact on state agencies, local governments and the private sector in excess of $5 million. Currently, the Division of Water Quality does not have any staff economists to perform such analyses.

Adoption of Pollutant Limits for Each River Basin

The Environmental Management Commission is required to adopt total maximum daily loads an all pollutants for each of the state's seventeen river basins. This provision is required by federal law, and the state is already in compliance with this particular requirement of the Clean Water Act; therefore the requirement has no significant impact on the Division of Water Quality.

Fertilizer Use at Golf Courses

The bill establishes a training and certification program for persons who apply soil enriching nutrients to golf courses. The Environmental Management Commission is required to develop and administer training and certification programs for this purpose. The department may need one staff person to oversee and maintain the certification program. Until the commission specifies the training requirements, it is unknown if additional staff will be needed to provide training, or whether training can be provided through the Cooperative Extension Service, the Department of Agriculture, the Division of Soil and Water Conservation or some combination of these agencies with existing resources.

Assumption of Control of Non-complying Publicly Owned Treatment Plants

The Environmental Management Commission (EMC) is authorized to assume control and operation of any publicly owned wastewater treatment system that "persistently fails" to comply with federal and state laws. However, the local unit of government is responsible for all costs associated with the operation of the facility, including any capital costs necessary to bring the plant into compliance, while the facility is under the control of the EMC. It is unclear how many facilities may be subject to operational oversight by the EMC each year. The department may choose to designate specific staff to monitor compliance of facilities determined to be at risk of

persistent operational violations; however, determining and monitoring facility compliance is part of the department's current enforcement responsibility and can be handled with existing resources.

- **Department of Justice**

Criminal Enforcement for Repeated Violations

The bill requires the Secretary of DEHNR to call on the State Bureau of Investigation (SBI) to review, for possible commission of criminal offenses, waste discharges that significantly violate state laws related to water and air resources on two or more separate occasions in any three year period. This may lead to new investigations/cases added to the workload of the State Bureau of Investigation's Diversion and Environmental Crimes Unit, if the cases are determined to warrant further investigation. The addition of any new types of cases/investigations to the workload of the SBI may lead to a fiscal impact. However, an accurate number of new cases that may stem from this bill are unknown; therefore, a reliable estimate of cost to the SBI is not available.

Presently, the SBI has eight agents assigned to the Diversion and Environmental Crimes Unit. From July 1, 1996 through March 12, 1997, this unit opened eleven new cases and closed thirteen. In addition to the eleven new cases, seven cases are under investigation from prior years. Due to the lack of information regarding the number of new cases this bill may create, it is difficult to estimate the potential increase in workload for this unit. However, if a large number of these cases are referred to the SBI, then additional agents may be needed, along with specialized equipment associated with conducting investigations of this nature.

- **Department of Transportation**

Statewide Stormwater Management Permit for Transportation Programs

The Department of Transportation (DOT) is required to work with the Division of Water Quality to complete the development of a statewide stormwater management permit by October 1, 1997. The permit, to be issued under the National Pollutant Discharge Elimination System (NPDES), will govern all transportation programs. DOT cannot estimate the fiscal impact of this requirement until the specific conditions and limitations of the permit are known. The department currently spends approximately $50 million per year on erosion control measures. If the permit requires storm water control methods beyond current practices, additional expenditures will be required.

- **Local Units of Government**

Nutrient Discharge Limits

Nitrogen: The Senate Committee Substitute for House Bill 515 limits nitrogen discharge for wastewater treatment plants permitted to discharge to any of the state's surface waters classified as nutrient sensitive. The limit applies to existing wastewater treatment facilities in operation, or for which construction was authorized, prior to July 1, 1997, with a discharge capacity of 500,000 or more gallons per day. The nitrogen limit will also apply to any new facilities that receive construction authorization on or after July 1, 1997, regardless of discharge capacity.

According to the Department of Environment, Health, and Natural Resources (DEHNR), sufficient information is not available to estimate the necessary capital costs for facilities located in the Cape Fear (Lake Jordan and Deep River Watersheds), the Catawba (Lake Wylie Watershed), the Tar-Pamlico, the White Oak (New River Watershed) and the Chowan River Basins, which contain surface waters classified as nutrient sensitive or where nitrogen is a nutrient of concern. However, a study of the costs of upgrading wastewater facilities to meet stricter nitrogen limits performed by a private engineering firm for the Lower Neuse Basin Association can be used to provide a general idea of the magnitude of the potential fiscal impact for the Neuse and other basins.

The study completed by Piedmont, Olson and Hensley, attempted to identify those facilities in the Neuse River Basin that could be retrofitted to meet a stricter nitrogen limit versus wastewater treatment facilities that could not meet such a requirement without building a new treatment plant. The study evaluated only those treatment plants operated by members of the Lower Neuse Basin Association. This organization includes two industrial wastewater treatment plants and seventeen plants operated by local governments. The firm estimates that it will cost a total of $125 million for the nineteen membership facilities in the Neuse River Basin to meet a required nitrogen discharge limit of **3.5 milligrams per liter**. Of the $125 million, $69 million is required to build new treatment plants, at an average cost of $4.00 per gallon, for up to five facilities that cannot be retrofitted for compliance. And $56 million is required to retrofit all other facilities at an average cost of $0.44 per gallon. In addition to the aggregate estimate, the study included individual cost estimates for some of the nineteen member facilities. DEHNR reviewed the individual evaluations and cost estimates included in the report for twelve municipal systems, since neither the state nor local governments are responsible for the cost to industrial treatment plants. Of these twelve, three facilities (25%)were identified as requiring new construction, at a cost of $4.00 per gallon, to meet a nitrogen limit of 3.5 milligrams per liter. The remaining nine treatment plants were determined to be suitable for modification, ranging in cost from $0.23 per gallon to $0.91 per gallon, with an average cost of $0.56 per gallon.

ESTIMATED COST TO LOCAL GOVERNMENT UNITS. The department is unable to refine the estimates developed by Piedmont, Olson and Hensley to reflect the slightly less restrictive nitrogen limit of **4.0 milligrams per liter** required by the bill. However, the department does not expect the average costs of system construction and modification to vary significantly for a nitrogen discharge limit of 4.0 milligrams per liter versus 3.5 milligrams per liter. And although the department cannot determine the aggregate cost for all municipalities in the Neuse and other river basins subject to the nitrogen limit, local governments in those basins can **expect the cost to retrofit an existing system to be between $0.23 per gallon and $0.91 per gallon** based on the consultant's study. Where a particular treatment facility falls within this cost range depends

on the facility's discharge capacity, how close the facility is operating to permitted flow, the amount of nitrogen in the wastewater prior to treatment and the current level of nitrogen discharge. In addition, **approximately 25% of the municipal systems** subject to the nitrogen limit are **expected to be unable to achieve the discharge limit by retrofitting the existing treatment system, but will require new plant construction at an average cost of $4.00 per gallon**. Older treatment plants with lower flow capacity are more likely to need replacement rather than modification.

Phosphorous: The Senate Committee Substitute for House Bill 515 also limits phosphorous discharge to 2.0 milligrams per liter for wastewater treatment plants permitted to discharge to any of the state's surface waters where phosphorous is a nutrient of concern. The requirement applies to facilities located in the Cape Fear (Lake Jordan and Deep River Watersheds), the Catawba (Lake Wylie Watershed), the Tar-Pamlico, the Neuse, the White Oak (New River Watershed) and the Chowan River Basins. In addition, regulations imposing phosphorous limits on treatment facilities permitted to discharge in the High Rock Lake Watershed in the Yadkin River Basin are currently pending.

ESTIMATED COST TO LOCAL GOVERNMENT UNITS. Phosphorous limits ranging from 0.5 milligrams per liter to 2.0 milligrams per liter are already required in each of these watersheds, and are either currently effective or will be applicable in the future. In addition, most municipal plants subject to the phosphorous limit are currently meeting or exceeding the phosphorous limit required by this bill. Therefore, DEHNR does not anticipate the phosphorous limit to have a significant fiscal impact on local government units.

The following table indicates the total number of wastewater treatment plants (public and private) and the total number of municipal treatment plants with a permitted flow of 500,000 or more gallons per day in each of the river basins subject to either the nitrogen or phosphorous limits, or both:

Wastewater Treatment Plants with Permitted Flow of 500,000 or More Gallons per Day

Systems/River Basin	Cape Fear	Catawba	Chowan	Neuse	Tar-Pamlico	White Oak	Yadkin
Total Wastewater Systems	35	8	1	32	24	6	16
Total Municipal Wastewater Systems	22	3	0	23	13	1	12

Agricultural Zoning

Counties are authorized, but not required to adopt zoning regulations for swine farms. It is assumed that counties electing to establish zoning requirements for swine operations will do so with existing resources or at minimal additional cost.

Land-Use Planning

The bill creates an incentive for counties to develop land-use plans by establishing as a priority criteria for receiving financial assistance from the Clean Water Revolving Loan and Grant Fund the existence of a comprehensive land-use plan. The bill requires the Division of Community Assistance (DCA) to provide assistance to economically distressed local government units in developing plans upon request. In current practice, DCA already provides assistance to any county if requested. Assistance to counties without planning staffs is also available from local Councils of Government and Lead Regional Organizations; therefore, the cost of land-use plan development to local units of government is expected to be minimal.

Stormwater Management

Local units of government may implement model stormwater management programs developed by the Environmental Management Commission. Any local unit choosing to implement a model program is authorized to adopt ordinances and regulations to administer and enforce the stormwater management control efforts. Implementation, administration and enforcement of such programs may to require additional operating and capital resources; however, until the specific conditions and requirement of the model stormwater management program are developed, the fiscal impact cannot be estimated.

Basinwide Water Quality Management Plans

Rules adopted by the Environmental Management Commission to implement water quality improvement strategies developed through the basinwide planning process may have a fiscal impact on local governments. However, until specific rules are proposed, the potential impact cannot be determined. In addition, any significant fiscal impact on local governments will be reflected in the fiscal note accompanying the proposed rules, as required by the Administrative Procedures Act.

Assumption of Control of Non-complying Publicly Owned Treatment Plants

The Environmental Management Commission (EMC) is authorized to assume control and operation of any publicly owned wastewater treatment system that "persistently fails" to comply with federal and state laws. The local unit of government is responsible for all costs associated with the operation of the facility, including any capital costs necessary to bring the plant into compliance, while the facility is under the control of the EMC. The fiscal impact of this provision may be substantial for treatment systems requiring major repairs and structural modifications, or that are inadequately staffed.

TECHNICAL CONSIDERATIONS:

Nitrogen and Phosphorous Discharge Limits

The cost estimate associated with the nitrogen discharge limit for wastewater treatment plants in the Neuse River Basin does not account for capacity expansions that some local governments may be considering. However, DEHNR does not expect the cost of bringing any such expanded

facilities into compliance with the nitrogen limit to be more than the average cost of $0.56 per gallon to retrofit an existing facility.

The bill allows facilities subject to the nitrogen and phosphorous discharge limits to form cooperative agreements to satisfy the limits required of the basin, potentially reducing the costs associated with compliance for an individual treatment plant.

Fertilizer Use at Golf Courses

Environmental training and certification programs are typically supported by certification fees. However, the bill does not establish a certification fee, nor is the authority to establish a fee to support the fertilizer application training and certification program given to the Environmental Management Commission.

Assumption of Control of Non-complying Publicly Owned Treatment Works

Although the bill requires the local unit of government to pay all the costs associated with operation and control of the treatment system by the Environmental Management Commission, the bill does not establish a procedure for ensuring the commission and the Division of Water Quality receive adequate reimbursement for costs any incurred. Assuming the local unit of government reimburses the state for any costs not paid directly by the local unit, the bill does not allow the funds to be retained by the division to offset costs.

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