
Detailed Fiscal Analysis

The bill authorizes boards of county commissioners to require a performance bond or other cash surety before a company begins excavation for a new natural gas pipeline. The bill applies to the excavation for a new natural gas pipelines carrying gas at a pressure of over 125 pounds per square inch and that is approximately 24 inches in diameter or greater. The bond or other cash surety is to be a type and amount sufficient to indemnify any government entity or person that repairs damage to septic systems/drainage tiles resulting from activities related to the construction of a new natural gas pipeline. If a company fails to repair damage resulting from pipeline construction activities, then the board of county commissioners shall authorize payment of repairs using surety proceeds. Damage to a septic system or drainage tile believed to have been caused by the pipeline construction company shall be repaired to the satisfaction of the respective monitoring agency. The bill prescribes that the surety is to be held by the board for a period of not more than three years after the completion of the project.

If a board of county commissioners requires surety, then the bill charges boards of health and general health districts with determining if damage to a septic system on or near a project site resulted from the construction of the new natural gas pipeline. Similarly, soil and water conservation districts are charged with determining the cause of damage to drainage tiles on or near a project site. The bill's inspection and reporting of findings requirement cause a potential minimal increase in operational expenditures for both entities.

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