149th GENERAL ASSEMBLY
FEE IMPACT

BILL:	**HOUSE BILL NO. 270**
SPONSOR:	**Representative Mulrooney**
DESCRIPTION:	**AN ACT TO AMEND THE DELAWARE CODE RELATING TO CLEAN WATER FOR DELAWARE.**

In accordance with 29 Del. C. §913, the following information is provided relating to licenses and fees.

Description of the Legislation:
This Act creates a framework for assessing needs, planning and implementing projects, and providing a funding source to enhance and accelerate Delaware's efforts in cleaning up the State's contaminated water resources.

This Act further creates the Delaware Clean Water Trust to help fund clean water capital projects. Trust funding will be derived from several revenue sources, including a new Clean Water Surcharge. Existing sources include: $2 million annually from the Clean Water Fund, available loan transfers from the Drinking Water Fund and Water Pollution Control Fund and private and philanthropic resources.

Affected Entities:
All Delaware Taxpayers; Delaware Business License Holders; the Department of Finance, Division of Revenue; the Department of Natural Resource and Environmental Control; the Water Infrastructure Advisory Council; the newly created Clean Water Trust Board; the Department of Agriculture; the Department of Health and Social Services; the Delaware League of Local Governments; the Delaware Association of Counties; the Delaware Farm Bureau; the Delaware Nutrient Management Commission; the Delaware Association of Conservation Districts; the American Council of Engineering Companies of Delaware, and the National Association of Water Companies of Delaware.

Fiscal Impact:
The new Clean Water surcharge will be levied on personal income tax payments and business license fees. The surcharge for individual tax payers will equal 10% of tax payers' net liability, up to $40 for individuals and $80 for joint payers. Business license fees are $45.

Estimated surcharge revenue to the Clean Water Trust fund is based on 404,251 personal income tax filers for Tax Year 2019 (Fiscal Year 2020). Fiscal Years 2021 and 2022 assume a 2% annual growth. Business License fees are estimated to raise roughly $3.1 million annually.

FY 2020: $22.0 million ASF ($18.9 Tax Filers + $3.1 Bus. Lic.)
FY 2021: $22.3 million ASF ($19.2 Tax Filers + $3.1 Bus. Lic.)
FY 2022: $22.7 million ASF ($19.6 Tax Filers + $3.1 Bus. Lic.)

Intended Use of Revenue:
The Department of Finance, Division of Revenue may retain up to 0.5% of the deposits for costs associated with the administration and collection of the surcharge. In addition, up to 12% of the deposits for the first two years and 10% thereafter may be used to cover the costs associated with the administration of this Act. The Department of Natural Resources and Environmental Control will use this administrative allowance to support 16.0 new positions and associated salary and benefit costs, contractual services, and supplies and materials to implement the provisions of this Act.

Prepared by Art Jenkins
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