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H.B. 692
136th General Assembly

Fiscal Note & Local Impact Statement

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Version: As Introduced

Primary Sponsors: Reps. Pizzulli and John

Local Impact Statement Procedure Required: No

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Highlights

- Local boards of health may realize minimal costs to update operation and maintenance (O&M) programs currently in place. Additionally, the number of certain sewage treatment inspections may be reduced, which would result in a decrease in inspection costs and related fee revenues. However, there could be some increased costs to approve sewage treatment systems (STS) designs without a soil evaluation.
- The Ohio Department of Health will realize minimal costs to update administrative rules.

Detailed Analysis

The bill makes several changes to the law regarding sewage treatment systems (STSs) and household sewage treatment systems (HSTSs). The bill eliminates current law requirements that a board of health conduct an initial inspection within one year of an STS's installation and certify that inspection to the Ohio Department of Health (ODH) within 60 days of performing the inspection. The bill prohibits a board of health from conducting mandatory annual inspections of an STS, STS inspections conducted without probable cause that the system is endangering or threatening to endanger public health, and STS inspections conducted without a good-faith complaint regarding the system. The bill also eliminates the requirement that a board of health allow a property owner to demonstrate the system's maintenance in lieu of inspection. Additionally, the bill prohibits ODH rules from requiring a board of health to conduct a soil evaluation at the site of a proposed STS unless the board has a good-faith reason to conduct a soil evaluation that is in the interest of public health and safety. Finally, the bill prohibits a board of health from imposing certain requirements or prohibitions regarding the installation and design of an HSTS.

Fiscal analysis

If the number of inspections conducted by boards of health is reduced due to the bill's changes, revenue from fees for these inspections would also be reduced. However, as explained further below, these fees are used to recover the costs attributed to inspections. Therefore, a reduction in inspections would result in a reduction in administrative costs. On the other hand, if a soil evaluation is not completed, it is possible that boards may need to perform additional tasks to approve STS designs.

Local boards of health may also realize minimal costs to update the operation and maintenance (O&M) program they currently have in place. O&M programs are used by boards of health to administer the maintenance requirements specified in rule by ODH. Additionally, ODH will realize rule promulgation costs to update their rules concerning STSs and HSTSs.

Background

HSTSs are common in rural areas with no access to a centralized sewer system. ODH regulates HSTSs and STSs and provides technical assistance and training to local boards of health. However, boards of health are responsible for permitting and inspecting STSs in their jurisdictions. Boards are required to develop an O&M program to monitor HSTSs and STSs. As part of this program, all HSTSs must have a permit issued by the appropriate board. Boards are also involved if a new HSTS is constructed or an existing system is significantly altered or replaced.¹ There are several fees associated with this process, including applying for an HSTS installation or alteration permit and paying the prescribed fee.² Boards are authorized to inspect any HSTS if there is a good-faith complaint regarding the system, probable cause, or proof that required maintenance of the system has not been provided.³ Additionally, boards are authorized to inspect without prior notice any HSTS that the board has probable cause to believe poses a threat to public health.

Boards determine fee amounts based on the costs of performing services and are generally permitted to establish a uniform system of fees to pay the costs of services provided.⁴ Furthermore, boards of health are required to establish fees for the purpose of carrying out the duties relating to HSTSs and all such fees collected are required to be deposited into a special fund of the district and used only to carry out related duties.⁵ Fees are calculated based on the actual costs of providing services in the previous fiscal year. A portion of certain HSTS fees for installation or alteration of HSTSs collected by a local health department are transferred to ODH to pay for their administrative costs.⁶

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¹ R.C. 3718.02 and Ohio Administrative Code (O.A.C.) 3701-29-19.

² O.A.C. 3701-29-09.

³ O.A.C. 3701-29-23.

⁴ R.C. 3709.09.

⁵ R.C. 3718.06.

⁶ O.A.C. 3701-29-05.