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# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
and Drafting

Legislative Budget  
Office

S.B. 278  
134<sup>th</sup> General Assembly

## Fiscal Note & Local Impact Statement

[Click here for S.B. 278's Bill Analysis](#)

**Version:** As Reported by House State and Local Government

**Primary Sponsor:** Sen. Peterson

**Local Impact Statement Procedure Required:** No

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### Highlights

#### Public Water Systems

- Transient noncommunity public water systems may experience administrative cost savings from no longer implementing and maintaining asset management programs and reporting to the Ohio Environmental Protection Agency (OhioEPA).
- OhioEPA may likewise experience some administrative cost savings as a result of no longer overseeing these programs and reviewing the submitted asset inventories from transient noncommunity public water systems.

#### EHS and EHS in training

- The Ohio Department of Agriculture (AGR) and the Ohio Department of Health (ODH) could incur some costs to adopt rules and to create and administer the written assessment for registered environmental health specialists (EHS) and environmental health specialists in training (EHS in training).
- Any costs incurred by AGR would likely be paid from either the Food Safety Fund (Fund 4P70) or GRF line item 700407, Food Safety, that are used by AGR's Food Safety Division to enforce food safety laws.
- Any costs incurred by ODH would likely be paid from either the General Operations Fund (Fund 4700) or GRF line item 440454, Environmental Health/Radiation Protection.

#### D-9 liquor permits

- The bill establishes a new D-9 liquor permit, with a \$500 permit fee for establishments to sell beer, wine, or mixed beverages where the establishment hosts automobile sports as

its primary activity. Any revenue gains associated with this new permit are likely to be negligible given the narrow qualifying criteria.

- Liquor permit revenues are deposited into the Undivided Liquor Permit Fund (Fund 7066), which collects and distributes liquor permit fees to the State Liquor Regulatory Fund (Fund 5LP0), municipalities and townships, and the Statewide Treatment and Prevention Fund (Fund 4750).

## **Specialty license plate**

- Assuming the number of applicants for the “Chardon High School State Football Champs” specialty license plate satisfies the minimum 150-person registration requirement, then, in its first year, the Bureau of Motor Vehicles (BMV) will: (1) gain at least \$1,500 in fee revenues and (2) incur between \$882 and \$1,085 or more in license plate production costs; the Chardon Hilltopper Gridiron Club will receive at least \$3,000 in contributions.
- In subsequent years, the BMV will gain \$10 in fee revenue for each license plate newly issued or renewed, and incur production costs of \$5.88 and \$7.23 for a new single plate and pair of plates issued, respectively.
- The actual BMV fee revenue and cost, as well as contributions to the Chardon Hilltopper Gridiron Club, will depend upon demand in each year.
- A person who applies for the “Chardon High School State Football Champs” specialty license plate must pay additional money, consisting of a \$10 BMV administrative fee and a contribution of \$20.

## **Detailed Analysis**

### **Public water systems**

The bill changes current law provisions that require public water systems (PWSs) to implement asset management programs. Specifically, the bill removes transient noncommunity public water systems from these requirements.<sup>1</sup> The bill defines a transient noncommunity public water system as a system that does not regularly serve at least 25 of the same persons over six months per year and is not a community water system or a nontransient noncommunity water system. Examples include gas stations, restaurants, and campgrounds.<sup>2</sup>

PWSs are regulated by the Ohio Environmental Protection Agency (OhioEPA). PWS water sources are derived either from a ground water source, a surface water source or a ground water under the direct influence of surface water source. In Ohio, around 4,800 regulated public water systems serve approximately 11 million people daily.

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<sup>1</sup> The requirements for public water system asset management programs were first enacted by S.B. 2 of the 132<sup>nd</sup> General Assembly.

<sup>2</sup> The other types of PWS are: (1) Community (serve at least 15 service connections used by year-round residents or regularly serve at least 25 year-round residents; examples include cities, mobile home parks and nursing homes), and (2) Nontransient noncommunity (serve at least 25 of the same persons over six months per year; examples include schools, hospitals and factories).

## **Locally managed public water systems**

PWSs that meet the definition of a transient noncommunity public water system may experience administrative cost savings from no longer implementing and maintaining asset management programs and reporting to OhioEPA. Some systems may continue to implement their own asset management programs based on best practices, but this would be a voluntary measure once the bill is enacted.

### **Enforcement savings – fines and penalties**

Because of the bill, OhioEPA will no longer be able to enforce certain administrative, civil or criminal remedies as permitted under current law and specific to asset management program reporting, including license revocation for a PWS that meets the definition of a transient noncommunity public water system.<sup>3</sup> This change would result in administrative cost savings for the agency. Generally speaking, fines and penalties may be as follows:

- Administrative – PWSs serving populations of more 10,000, not less than \$1,000 for each day of each violation, total amount cannot exceed \$10,000 per violation; PWSs serving populations of 10,000 or fewer, \$1,000 multiplied by a number, expressed as a decimal, in order to determine the penalty amount for each day of violation, total amount cannot exceed \$2,500 per violation;
- Civil – up to \$25,000 for each violation;
- Criminal – penalties vary depending on the culpable mental state of the offender and the severity of the offense. For a reckless violation, a misdemeanor, punishable by a fine of up to \$10,000 or imprisonment for up to four years, or both. For a reckless or knowing violation that poses a significant threat to or causes significant harm to public health, a felony, punishable by a fine of up to \$25,000 or imprisonment for up to four years, or both.

As a result of this change and to the extent that a PWS may have been found in violation of any of the current asset management program requirements, these systems may experience certain cost savings in terms of fines and penalties once the bill is enacted.

## **Evaluations of registered EHSs and EHSs in training**

Under continuing law, a board of health issues licenses to food service operations, such as restaurants, and retail food establishments, such as grocery stores. As part of that responsibility, the board inspects the licensees to determine compliance with food safety regulations. These inspections are conducted by registered environmental health specialists (EHS) and (EHS) in training. At the state level, the Director of Health is responsible for evaluating the local food service operations licensure programs and the Director of Agriculture is responsible for evaluating the local retail food establishment licensure programs. At least once every three years, the directors are required to survey each local licensing entity to determine if the entity is qualified to administer and enforce food safety regulations.

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<sup>3</sup> For a complete listing of the fines and penalties that may be sought currently, see R.C. 6109.23, 6109.33, and 6109.99, and O.A.C. 3745-81-04.

The bill, as part of the survey process to determine if a board is qualified to administer and enforce the laws governing food safety, requires the directors to each adopt rules establishing a method for evaluating a registered EHS or EHS in training's knowledge of the laws governing food safety, including the Ohio Uniform Food Safety Code. Under the bill, the directors may only evaluate a registered EHS or EHS in training through the use of an objective written or electronic assessment that complies with all of the following: (1) it is developed by the appropriate director in consultation with the Ohio Environmental Health Association and the Association of Ohio Health Commissioners, (2) it does not exceed 50 questions, and (3) it requires at least an 80% score for passage. Under the bill, EHSs and EHSs in training are allowed to review the Ohio Uniform Food Safety Code during the assessment. If a survey demonstrates that a board of health does not have the capacity to appropriately enforce these regulations, the board could lose its authority as the licensor of food service operations or retail food establishments. The bill requires the directors, in consultation with specified representatives, to review and update the assessment on at least a biennial basis. Lastly, the bill allows the directors to require an EHS or EHS in training to participate in a field review for training and educational purposes, but prohibits the directors from using that participation to evaluate whether the EHS or EHS in training has sufficient knowledge of the applicable laws or the Ohio Uniform Food Safety Code.

The Ohio Department of Agriculture (AGR) and the Ohio Department of Health (ODH) could incur administrative costs in order to develop and administer the assessment. Any costs incurred as a result of the assessment provisions of the bill would be paid from either the Food Safety Fund (Fund 4P70) or GRF line item 700407, Food Safety, used by AGR's Food Safety Division to enforce food safety laws and the General Operations Fund (Fund 4700) or GRF line item 440454, Environmental Health/Radiation Protection for ODH. If a board loses its authority as a licensor as a result of the bill's provisions, ODH or AGR may incur some costs if they assist in any licensing responsibilities. However, it is unlikely that this would occur.

## **D-9 liquor permits**

The bill would likely result in some minimal revenue gains to the Undivided Liquor Permit Fund (Fund 7066) as a result of the newly created liquor permit for certain facilities that host automobile sports. Specifically, the bill establishes a new D-9 liquor permit, which allows an establishment to sell beer, wine, or mixed beverages in disposable containers at retail for on-premises consumption, if the hosting facility meets the qualifications and operational requirements stated in the bill (see [LSC Bill Analysis](#)). The fee for this new permit is \$500. Because the permit requirements under the bill appear to be crafted to apply to a small number of facilities, very few of these new permits are likely to be issued, and quite possibly only one given the qualifying criteria.

Liquor permit fee revenues are deposited into the Undivided Liquor Permit Fund (Fund 7066). Of the money deposited into Fund 7066, 45% is distributed to the State Liquor Regulatory Fund (Fund 5LP0), 35% is distributed to the municipal corporations and townships in which liquor premises are located, and 20% is deposited in the Statewide Treatment and Prevention Fund (Fund 4750).

## “Chardon High School State Football Champs” specialty license plate

The bill creates the “Chardon High School State Football Champs” specialty license plate that is available to all persons with an eligible vehicle registered in Ohio. In addition to paying taxes and fees applicable under current law, a person applying for the plate must pay a \$10 Bureau of Motor Vehicles (BMV) administrative fee and a \$20 contribution to the Chardon Hilltopper Gridiron Club.

“Chardon High School State Football Champs” Specialty License Plate			
Specialty License Plate	BMV Fee	Required Contribution	Contribution Recipient
“Chardon High School State Football Champs”	\$10	\$20	Chardon Hilltopper Gridiron Club

### License plate implementation procedures

Under existing law, the Registrar of Motor Vehicles is not required to implement any legislation that creates a specialty license plate until the Registrar receives written statements from at least 150 persons indicating that they intend to apply for and obtain the license plate (R.C. 4503.78).

### Production costs and administrative fees

Under current law, a person may elect to purchase either a single plate or pair of plates. The BMV currently produces specialty license plates via a digital print-on-demand process. The cost to produce a single plate is \$5.88. The production cost for a pair is \$7.23.

Under the bill, a person obtaining the “Chardon High School State Football Champs” specialty license plate is required to pay an administrative fee of \$10, the purpose of which is to compensate the BMV for additional services required in issuing the plate. The administrative fee is credited to the Public Safety – Highway Purposes Fund (Fund 5TM0), which is used in part to pay the BMV’s expenses related to titling motor vehicles, licensing drivers, and registering motor vehicles.

- Assuming the number of applicants satisfies the minimum 150-person registration requirement, then, in the first year, the annual production costs for the plate will total at a minimum between \$882 (150 persons x \$5.88) and \$1,085 (150 persons x \$7.23), and the administrative fees collected will total at least \$1,500 (150 persons x \$10).
- In subsequent years, the BMV will collect \$10 for each new or renewed license plate. For each new plate issued, the production cost will be \$5.88 and \$7.23 for a single plate and pair of plates, respectively.

### Chardon Hilltopper Gridiron Club

The \$20 contribution paid for the issuance of the “Chardon High School State Football Champs” specialty license plate will be credited to the existing License Plate Contribution Fund

(Fund 5V10), and then paid to the Chardon Hilltopper Gridiron Club to fund college and career-technical training scholarships for students.

- Assuming the number of applicants satisfies the minimum 150-person registration requirement, then, in the first year, the Chardon Hilltopper Gridiron Club will receive at least \$3,000 (150 persons x \$20 contribution).
- In subsequent years, the Chardon Hilltopper Gridiron Club will collect \$20 for each new or renewed license plate.

## State designations

Designations have no direct fiscal effect on the state or political subdivisions. They do not require any action on the part of the state or local political subdivisions. The bill designates the sugar cookie as the official cookie of the state and also designates the days listed below.

State Designations	
Name	Date
Ohio Burn Awareness Week	First full week of February
Pollinator Week	Last full week of June
Eugene "Gene" F. Kranz Day	August 17
Ohio Public Lands Day	Last Saturday of September