



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: H.B. 61 of the 131st G.A.

Date: March 16, 2015

Status: As Passed by the House

Sponsor: Reps. Buchy and Hall

Local Impact Statement Procedure Required: No

Contents: Prohibits the application of fertilizer and manure on fields in the western basin of Lake Erie during certain conditions and makes other changes

State Fiscal Highlights

- **Application of fertilizer, manure, and sewage sludge.** The bill prohibits: (1) the application of fertilizer and manure in the western basin of Lake Erie on frozen ground, saturated soil, and during certain weather conditions, and (2) the surface application of sewage sludge generally. The departments of Agriculture (AGR) and Natural Resources (DNR) will incur new oversight costs as a consequence of the fertilizer and manure prohibition. The Ohio Environmental Protection Agency (EPA) should incur no additional costs, as it currently enforces the sewage sludge prohibition through its administrative rules.
- **Penalties.** The oversight costs AGR and DNR incur would be offset to a certain degree by civil penalties collected from violators. Presumably, the proceeds from any potential penalties imposed would be deposited into the Pesticide Program Fund (Fund 6690) used by AGR, and the Soil and Water Districts Assistance Fund (Fund 5BV0) used by DNR.
- **Dredged material in Lake Erie.** The fiscal implications of the bill's provisions related to prohibiting generally the depositing of dredged material in the Maumee Basin (effective July 1, 2020) are uncertain.

Local Fiscal Highlights

- **Phosphorous monitoring of publicly owned treatment works.** The cost for approximately 210 publicly owned treatment works to begin required monthly monitoring will be around \$75,600 per year. Publicly owned water treatment systems not subject to this monthly monitoring requirement are required to complete and submit a study evaluating their ability to meet that standard. The fiscal effects of that provision are uncertain.

Detailed Fiscal Analysis

Application of fertilizer and manure on frozen fields

The bill prohibits, with certain exceptions, the application of fertilizer and manure in the western basin of Lake Erie under specified conditions. Specifically, the prohibition would apply in the following situations: (1) when the soil is snow-covered or frozen, (2) when the top two inches of soil are saturated from precipitation, or (3) when the weather forecast calls for greater than 50% chance of precipitation exceeding one inch in a 12-hour period for fertilizer application and a greater than 50% chance of precipitation exceeding one-half inch in a 24-hour period for manure application. The bill requires the Director of Agriculture to administer the fertilizer provisions and the Chief of the Division of Soil and Water Resources within DNR to administer the manure provisions. Both departments will be responsible for investigating complaints and enforcing the prohibitions when necessary, leading to new oversight and enforcement costs. Additionally, the Chief of the Division of Soil and Water Resources may incur additional costs for developing technically feasible and economically reasonable measures or plans in order for an individual to cease manure application violations enforced by the bill. However, the costs that both departments incur will at least be partially offset by civil penalties collected from violators. Receipts would likely be deposited into the Pesticide Program Fund (Fund 6690) used by AGR, and the Soil and Water Districts Assistance Fund (Fund 5BV0) used by DNR.

Statutory prohibition on sewage sludge application

The bill also prohibits the surface application of sewage sludge, a prohibition that the Ohio EPA currently enforces by administrative rule. Thus, the Ohio EPA should incur no additional costs, as this provision simply codifies current practice.

Dredging material in Lake Erie and tributaries

The bill: (1) prohibits, beginning July 1, 2020, the depositing of dredged material that resulted from harbor or navigation maintenance activities in the Maumee Basin (Maumee River, Maumee Bay Federal Navigation Channel, and Toledo Harbor) unless authorized by the Director of Environmental Protection, and (2) requires the Director work with the U.S. Army Corps of Engineers on a dredging plan that focuses on long-term planning for the disposition of dredged material. The fiscal implication of the dredged material prohibition is uncertain. The presumably one-time cost to develop the required dredging plan is uncertain as well.

Phosphorous monitoring of publicly owned treatment works

The bill requires certain publicly owned treatment works to begin monthly monitoring of total and dissolved phosphorous by December 1, 2016. Approximately 210 treatment works will be subject to this monthly monitoring requirement. The cost for each treatment work is expected to be less than \$30 per month, which means the

estimated cost statewide to comply with this provision will be around \$75,600 per year (\$30/month x 12 months x 210 treatment works). Treatment works already test for total phosphorous and are not expected to incur any significant cost beyond testing to comply with the requirement to test for "dissolved" phosphorous.

Additionally, the bill requires publicly owned treatment works that are not subject to the phosphorous limits in the bill to complete and submit an optimization study that evaluates their respective abilities to meet the standards detailed in the bill. The fiscal effects of this provision are uncertain.

Legislative reports

The bill also requires the preparation of two legislative reports. The first of these reports deals with land application of manure and fertilizer. Under the bill, the committees of the General Assembly that are primarily responsible for agriculture and natural resources matters are required to jointly assess the results of the implementation of the bill's prohibitions against the application of manure and fertilizer in the western Lake Erie basin on frozen ground, on saturated soil, and during certain weather conditions not later than three years after the bill's effective date. The bill also requires the committees of the General Assembly that are primarily responsible for environmental matters, not later than January 1, 2023, to jointly assess the results of the implementation of the bill's prohibition against depositing dredged material in the Maumee basin that resulted from harbor or navigation maintenance activities. Each committee is required to jointly issue a report to the Governor containing their findings and any recommendations based on the respective assessment. Neither chamber of the General Assembly is likely to incur significant costs, if any, for preparing these reports.

Legislative intent

Finally, the bill specifies the intent of the General Assembly that legislation transferring the administration and enforcement of the Agricultural Pollution Abatement Program from DNR to AGR be enacted not later than July 1, 2015.