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Office

H.B. 464
(1_134_1794-3)
134th General Assembly

Fiscal Note & Local Impact Statement

[Click here for H.B. 464's Bill Analysis](#)

Version: In House Agriculture and Conservation

Primary Sponsor: Rep. Wiggam

Local Impact Statement Procedure Required: No

Jamie Duskocil, Division Chief

Highlights

- Transient noncommunity public water systems may experience administrative cost savings from no longer implementing and maintaining asset management programs and reporting to 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.

Detailed Analysis

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.¹ 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.²

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

² 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).

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.

Fiscal impact

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.³ 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.

Synopsis of Fiscal Effect Changes

The substitute bill (I_134_1794-3) reinstates the asset management program currently required under existing law and overseen by OhioEPA, but instead exempts transient noncommunity public water systems. The substitute 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

³ 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.

months per year and is not a community water system or a nontransient noncommunity water system.

In terms of cost savings, OhioEPA may^{HB0464H1/jw} experience slightly less expenditure decreases than under the As Introduced version of the bill. PWSs other than those meeting the definition of a transient noncommunity public water system will still be required to comply with the rules and regulations of the current asset management program.

Under the As Introduced version of the bill, it was noted that due to the complete elimination of the asset management program under OhioEPA, certain federal Safe Drinking Water Act (SDWA) revolving loan dollars may have been at risk for reduction for the state as a whole. The substitute bill appears to mitigate that risk, potentially eliminating the issue of noncompliance with the SDWA.