

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0855-01
Bill No.: SB 206
Subject: Environmental Protection; Health Department; Health, Public; Sewers and Sewer Districts
Type: Original
Date: March 5, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
General Revenue	(\$177,247)	(\$186,361)	(\$191,198)
Missouri Public Health Services	\$92,390	\$43,846	\$32,358
Total Estimated Net Effect on <u>All</u> State Funds	(\$84,857)	(\$142,515)	(\$158,840)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	\$135,000	\$135,000	\$135,000

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 6 pages.

FISCAL ANALYSIS

ASSUMPTION

Department of Natural Resources (DNR) officials state the proposal would remove the exemption for subdivisions under the jurisdiction of the DNR which are required by a consent decree to have class I, National Sewage Federation aerated sewage disposal systems. Currently, the department has not entered into a consent decree in effect on or before May 15, 1984 that would be required to obtain a class I, National Sewage Federation aerated sewage disposal systems. Therefore, this proposal would not impact the department. The proposal would establish a fourteen-member advisory professional and accreditation standard's committee, two of which would be from the DNR. The department assumes this would not result in a significant workload increase.

DNR states the proposal legislation would also require continuing education for on-site sewage treatment system contractors, soil scientists, designers, loan evaluators, service maintenance contractors and administrative authorities. If the department would be required to meet this provision, there may be additional resources necessary depending on the training program developed. If the department would be required under Section 701.046 to obtain a permit for construction, major modification or major repair to an on-site sewage treatment system, there may be costs to our Division of State Parks. Since the cost of the permit is not specified in this proposal, the amount of fiscal impact to the department is unknown.

Office of Attorney General (AGO) officials state that based on Department of Health's estimates that approximately 200 cases could be referred to the AGO, the AGO would need three Assistant Attorney General II positions to handle the case referrals.

Officials from the **Department of Health (DOH)** state that all revenues collected would be deposited into the Missouri Public Health Services Fund (MoPHS). All program costs would be paid from MoPHS. A current indirect rate of 37.5% is applied to salaries and fringe benefits for all staff.

Current Program Status:

The current on-site sewage program has assigned to it the following FTE's:

- 1.00 FTE Environmental Public Health Specialist IV
- 1.00 FTE Environmental public Health Specialist III
- 1.00 FTE Environmental Engineer I/II"

DOH states there are 51 counties that contract with DOH to administer on-site sewage program, 9 counties that DOH administers on-site sewage program, and 55 counties that have ordinances. The counties under contract to DOH to administer the program are reimbursed for processing of

ASSUMPTION (continued)

application and permits and to perform inspection of on-site systems. The current permit fee is capped by statute at \$90 per permit. The county is reimbursed \$65 for every permit sold/worked in that county. DOH anticipates that this procedure would continue with the new permit fee if the proposal is enacted and the reimbursement rate to counties would increase from \$65 to \$100.

Local Assistance to Counties: $((\$100-\$65) \times 1,000) + (\$100 \times 1,000) = \$135,000$

Determination of number of permits:

DOH states the state has issued an average of 1,000 permits per year since the inception of the on-site program in 1996. A survey of the district offices and local agencies indicates this number would double if all exemptions are deleted from the statute. DOH states the fiscal note is based on 2000 permits being issued per year.

Permit Revenue: $((\$350-\$90) \times 1,000) + (\$350 \times 1,000) = \$610,000$ annual additional revenue

Mandatory Education:

DOH states there are approximately 270 individuals at the local level and 26 people at the DOH who would be required to undergo annual training. Training courses are estimated to cost \$250 per individual ($270 \times \$250 = \$67,500$).

Determination of FTE's required at the State level and associated cost:

DOH states to accomplish these new responsibilities as noted in the proposal, the following new positions would be required:

1.00 Environmental Engineer II. This position would be responsible for review of advanced plans accompanying permit applications, reviewing, and evaluation variance requests, providing advanced technical assistance to industry, and conducting on-site visits for systems demanding advanced design and installation.

1.00 Health Educator III. This position would be responsible for overseeing the development, monitoring, and evaluation of the extensive education requirements.

2.00 Clerk Typist II's. These positions would be responsible for providing clerical support to a combination of the above technical positions in the Central office, operating databases, and keeping track of the increased paperwork.

1.00 Data Entry Operator II. This position would be responsible for inputting all data into the databases.

In addition to the direct and fringe costs associated with the new staff, costs for indirect charges

MW:LR:OD (12/00)

ASSUMPTION (continued)

would also be required. The DOH applies a current indirect cost rate of 37.5% of salaries and fringe benefits to support all non-General Revenue Funds administered by the Department.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
---	---------------------	---------	---------

GENERAL REVENUE FUND

Costs - Office of Attorney General

Personal services (3 FTE)	(\$91,875)	(\$113,006)	(\$115,831)
Fringe benefits	(\$30,622)	(\$37,665)	(\$38,607)
Expense and equipment	<u>(\$54,750)</u>	<u>(\$35,690)</u>	<u>(\$36,760)</u>
Total <u>Costs</u> - Office of Attorney General	<u>(\$177,247)</u>	<u>(\$186,361)</u>	<u>(\$191,198)</u>

**ESTIMATED NET EFFECT ON
GENERAL REVENUE FUND**

<u>(\$177,247)</u>	<u>(\$186,361)</u>	<u>(\$191,198)</u>
---------------------------	---------------------------	---------------------------

**MISSOURI PUBLIC HEALTH
SERVICES FUND**

Income - Department of Health

Permit fees	\$610,000	\$610,000	\$610,000
-------------	-----------	-----------	-----------

Costs - Department of Health

Personal services (5 FTE)	(\$129,827)	(\$159,687)	(\$163,679)
Fringe benefits	(\$43,271)	(\$53,224)	(\$54,554)
Expense and equipment	(\$144,600)	(\$138,401)	(\$142,552)
Local assistance	(\$135,000)	(\$135,000)	(\$135,000)
Indirect costs	<u>(\$64,912)</u>	<u>(\$79,842)</u>	<u>(\$81,887)</u>
Total <u>Costs</u> - Department of Health	<u>(\$517,610)</u>	<u>(\$566,154)</u>	<u>(\$577,642)</u>

**ESTIMATED NET EFFECT ON
MISSOURI PUBLIC HEALTH
SERVICES FUND**

<u>\$92,390</u>	<u>\$43,846</u>	<u>\$32,358</u>
------------------------	------------------------	------------------------

<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
---	---------------------	---------	---------

COUNTIES

Income - Counties

Contract of inspections	<u>\$135,000</u>	<u>\$135,000</u>	<u>\$135,000</u>
-------------------------	------------------	------------------	------------------

**ESTIMATED NET EFFECT ON
COUNTIES**

<u>\$135,000</u>	<u>\$135,000</u>	<u>\$135,000</u>
-------------------------	-------------------------	-------------------------

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal would revise provisions relating to on-site sewage treatment systems. The current exemption from the statutes for owners of single family lots would be removed and private land owners may install or modify their own sewage treatment system but would do so in compliance with the state standard for on-site sewage treatment systems. Localities would adopt differing ordinances if they demonstrate accepted public health principles. A review and appeal process would be provided. The length of time to correct a nuisance or repair a malfunction in conditions which prevent the repair or abatement within thirty days would be changed from sixty days to a time set by the Department of Health. The Department of Health would be allowed to prosecute complaints where emergencies exist through the Attorney General as well as the local prosecuting attorney. This proposal would now require the Department of Health to investigate nuisance complaints as part of a communicable disease investigation. This proposal would change the state standard for on-site sewage treatment systems to one based on soil morphology and specific site conditions rather than on percolation. The Department of Health would be required to have a mandatory rather than a voluntary registration program for certain licensed professionals and must develop broader training. Installers of on-site sewage treatment systems would notify the administrative authority prior to commencing and completing an installation.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of Attorney General
Department of Natural Resources
Department of Health

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is stylized with a large initial "J" and a cursive "e" at the end.

Jeanne Jarrett, CPA
Director

March 5, 2001