

# Fiscal Note & Local Impact Statement

122<sup>nd</sup> General Assembly of Ohio

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BILL: Sub. H.B. 26 DATE: January 12, 1998  
STATUS: As Passed by the Senate SPONSOR: Rep. Lucas  
LOCAL IMPACT STATEMENT REQUIRED: No — No local cost  
CONTENTS: Alters the composition, appointment, compensation, and procedures to be followed by the boards of directors of certain existing sanitary districts

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## State Fiscal Highlights

STATE FUND	FY 1998	FY 1999	FUTURE YEARS
<b>SSR Public Utilities Fund</b>			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	Potential negligible decrease	Potential negligible decrease	Potential negligible decrease

- Potential decrease in expenditures for the Public Utilities Commission of Ohio, due to elimination of the requirement for PUCO to issue certain certificates of public convenience.

## Local Fiscal Highlights

- No direct fiscal effect on political subdivisions. The one district in Ohio affected by this bill (the Mahoning Valley Sanitary District) is established as a non-profit organization, not a political subdivision.

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## Detailed Fiscal Analysis

### Board of Directors of a Certain Type of Sanitary District

The bill alters the composition and method for appointment of directors of sanitary districts organized wholly for the purpose of providing a water supply for domestic, municipal and public use. It also alters the procedures such a board must follow for meetings, bidding contracts and other activities. Currently only one of these districts exists in Ohio. It is established as a non-profit organization, not a political subdivision, and receives all of its operating funds from the sale of water.

Under the bill, board members would receive worker's compensation coverage and could receive benefits as determined by the court of jurisdiction of such a sanitary district. Board members would not be eligible for holiday pay or leave time, but would be compensated in accordance with the time actually employed in performance of their duties and for necessary expenses incurred in performing their duties. Because a member would not be considered a public employee under the bill, the member would not be eligible for membership with the Public Employees Retirement System. Members may be compensated a maximum of \$200 per meeting with approximately 12 meetings per year. Board members may also receive up to \$5,000 per



year for reimbursement of meals, lodging and other expenses associated with out-of-state travel. A district may purchase and pay for all or part of the cost of group insurance policies that provide hospitalization, surgical care, major medical care, disability, dental care, eye care, hearing aids, or prescription drugs.

Under the bill, sanitary districts established wholly for the purpose of providing a water supply for domestic, municipal and public use are subject to financial certification requirements prior to spending moneys. Each board member of the district will be required to file a financial disclosure statement with the appropriate ethics commission each year, which costs \$5.00.

### **Eliminate PUCO Issuance of Certain Certificates of Public Convenience**

This bill eliminates the requirement that PUCO issue certificates of public convenience and necessity for certain private sewage disposal systems and for sewage disposal system companies and waterworks companies that are not public utilities before it goes to Ohio EPA for the installation permitting process. This has been a problem for PUCO since August, 1997 when a court ruling required residential developers obtain certificates of public convenience and necessity when installing sewer systems, with the idea that the developer would be acting as a utility service for the new homeowners in the development. To date, PUCO has issued approximately 300 certificates, which accounts for 12.5 percent of the total PUCO cases. PUCO did not increase its staff to deal with this increase in workload. The bill would relieve PUCO of this extra duty; no change in staff levels is expected due to elimination of this requirement. This bill will enable the private sewage disposal systems and non-public sewage disposal or waterworks companies to deal exclusively with Ohio EPA in obtaining the installation permits.

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