

# Fiscal Note & Local Impact Statement

127<sup>th</sup> General Assembly of Ohio

Ohio Legislative Service Commission  
77 South High Street, 9<sup>th</sup> Floor, Columbus, OH 43215-6136 ♦ Phone: (614) 466-3615  
♦ Internet Web Site: <http://www.lsc.state.oh.us/>

**BILL:** **Am. S.B. 192** **DATE:** **April 8, 2008**

**STATUS:** **As Enacted – Effective April 8, 2008** **SPONSOR:** **Sen. Gardner**

**LOCAL IMPACT STATEMENT REQUIRED:** **No — Permissive**

**CONTENTS:** **Permits health districts to contract with certified county building departments for plumbing inspections and permits health districts to contract with other health districts for plumbing inspections**

## State Fiscal Highlights

STATE FUND	FY 2009	FY 2010	FUTURE YEARS
<b>Industrial Compliance Operating Fund (Fund 5560) – Department of Commerce</b>			
Revenues	Potential gain	Potential gain	Potential gain
Expenditures	Potential increase	Potential increase	Potential increase

Note: The state fiscal year is July 1 through June 30. For example, FY 2009 is July 1, 2008 – June 30, 2009.

- The Department of Commerce's Industrial Compliance Operating Fund (Fund 5560) would gain revenue and incur increased administrative expenses corresponding to the number of county building department personnel that apply for plumbing inspection certification.

## Local Fiscal Highlights

LOCAL GOVERNMENT	FY 2008	FY 2009	FUTURE YEARS
<b>Counties</b>			
Revenues	Potential gain in inspection fees	Potential gain in inspection fees	Potential gain in inspection fees
Expenditures	Potential increase to conduct inspections	Potential increase to conduct inspections	Potential increase to conduct inspections
<b>City and General Health Districts</b>			
Revenues	Potential loss in inspection fees	Potential loss in inspection fees	Potential loss in inspection fees
Expenditures	Potential decrease in inspection expenses	Potential decrease in inspection expenses	Potential decrease in inspection expenses

Note: For most local governments, the fiscal year is the calendar year. The school district fiscal year is July 1 through June 30.

- City and general health districts entering into plumbing inspection contracts with county building departments would lose plumbing inspection fee revenue while county building departments would gain revenue.



- There would also be a decrease in expenses corresponding to fewer inspection duties and responsibilities for the health districts while county building departments would incur increased expenses to perform the plumbing inspections. Presumably, the contract terms would cover these new costs.
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## *Detailed Fiscal Analysis*

### *Plumbing inspections*

#### *Overview*

The bill stems from a situation in which several county building departments were performing plumbing inspections for homes, commercial establishments, and industrial buildings through contracts with county health departments, which are specifically authorized to conduct such plumbing inspections. Subsequently, the Department of Commerce's Division of Industrial Compliance (DIC) informed several counties that plumbing inspectors for the county health department should be performing the inspections. There is also a September 2006 Ohio Attorney General opinion stating that:

- Absent express statutory authority, the board of health of a general health district may not delegate to a county its duty to perform plumbing inspections;
- A county building department and its personnel that became certified by the Board of Building Standards do not become authorized by such certification to perform plumbing inspections; and
- DIC has no authority to certify county building department employees to perform plumbing inspections.<sup>1</sup>

To address these findings, this bill would allow a county building department to inspect plumbing in buildings in a health district as long as the county building department employs an appropriately certified plumbing inspector. Since DIC currently has no authority to certify county *building* department employees to perform plumbing inspections (it is, however, authorized to certify *health* department plumbing inspectors), the bill requires the Superintendent of Industrial Compliance to adopt rules that would enable such certifications. The bill also allows a board of health to enter into a contract with another board of health to inspect plumbing in buildings within the contracting board's district.

#### *Effect on the Department of Commerce's Industrial Compliance Operating Fund (Fund 5560)*

As noted above, DIC currently certifies plumbing inspectors employed by health departments. There were 265 such certifications in FY 2007. The initial application, examination, and certification fee for health department plumbing inspectors is \$100 while the annual renewal fee is \$60. Because the bill would grant DIC the authority to certify plumbing inspectors employed by county building departments, the Industrial Compliance Operating Fund (Fund 5560) may incur new costs and gain fee revenue corresponding to the number of county building department personnel that apply for plumbing inspection certification.

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<sup>1</sup> Ohio Attorney General Opinion No. 2006-040.

**Effect on County Building Departments and Health Districts**

In counties where building departments are already performing plumbing inspections under contract with health districts, the bill maintains the status quo. While city and general health districts entering into contracts under the authority in the bill would lose plumbing inspection fee revenue, their inspection costs would also decrease. County building departments would gain revenue, but also incur some new costs for conducting the contracted inspections.

**Tobacco Use Prevention and Control Foundation Endowment Fund liquidation**

The bill requires the Treasurer of State to liquidate the Tobacco Use Prevention and Control Foundation Endowment Fund in a prudent manner and specifies that the first \$40 million in proceeds from the liquidation is to be made available to the Tobacco Use Prevention and Control Foundation to pay contractual or other binding obligations that the Foundation entered into before April 8, 2008. The rest of the proceeds are to be deposited into the Jobs Fund (Fund 5Z30). This language was superceded by the later enactment of Sub. H.B. 544 of the 127th General Assembly, which became effective May 6, 2008. The liquidation of the Endowment Fund and subsequent related events is currently being litigated in the Franklin County Court of Common Pleas.

*LSC fiscal staff: Jason Phillips, Budget Analyst*

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