

# Fiscal Note & Local Impact Statement

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

Ohio Legislative Service Commission  
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BILL: **Am. S.B. 192** DATE: **December 11, 2007**

STATUS: **As Reported by Senate State & Local Govt. & Veterans Affairs** SPONSOR: **Sen. Gardner**

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

CONTENTS: **Permits health districts to contract with county building department to inspect plumbing in buildings for which those county departments are certified and permits health districts to contract with other health districts for plumbing inspections**

## State Fiscal Highlights

STATE FUND	FY 2008	FY 2009	FUTURE YEARS
<b>Industrial Compliance Operating Fund (Fund 556) – 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 2008 is July 1, 2007 – June 30, 2008.

- There may be a gain in fee revenue to the Industrial Compliance Operating Fund (Fund 556) corresponding to the number of county building department personnel that apply for plumbing inspection certification under the bill. Consequently, there may be an increase in administrative costs to certify these individuals, likely to be absorbed within existing resources.

## Local Fiscal Highlights

LOCAL GOVERNMENT	FY 2008	FY 2009	FUTURE YEARS
<b>Counties</b>			
Revenues	Potential gain in revenue from inspection fees	Potential gain in revenue from inspection fees	Potential gain in revenue from 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 revenue from inspection fees	Potential loss in revenue from inspection fees	Potential loss in revenue from 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 boards of county commissioners would lose plumbing inspection fee revenue while counties (through the building department) would gain such fee revenue. However, there would also be a decrease in expenses corresponding to fewer inspection duties and responsibilities for the health districts while county building departments could experience an increase in expenses to perform the plumbing inspections.
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## ***Detailed Fiscal Analysis***

### **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. However, 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 allows a board of health to enter into a contract with a board of county commissioners to allow the county building department to inspect plumbing in buildings in the 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.

### **State fiscal effects**

Because DIC would now have the authority to certify plumbing inspectors employed by county building departments, the Industrial Compliance Operating Fund (Fund 556) may gain fee revenue corresponding to the number of county building department personnel that apply for plumbing inspection certification. Consequently, there may be an increase in administrative costs to certify these individuals, likely to be absorbed within existing resources. As noted above, DIC currently certifies plumbing inspectors employed by health departments. DIC certified 265 such persons in FY 2007. The initial

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

application, examination, and certification fee for health department plumbing inspectors is \$100 while the annual renewal fee is \$60.

**Local fiscal effects**

Any costs incurred by local governments as a result of this bill would be considered permissive. For those counties that already had building departments perform plumbing inspections and choose to enter into plumbing inspection contracts, the bill would return the situation to the status quo. City and general health districts entering into such contracts with boards of county commissioners may lose plumbing inspection fee revenue while counties (through the building department) would gain such fee revenue. However, there would also be a decrease in expenses corresponding to fewer inspection duties and responsibilities for the health districts while county building departments could experience an increase in expenses to perform the plumbing inspections.

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