



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: Am. H.B. 453 of the 130th G.A. **Date:** December 4, 2014
Status: As Reported by House Agriculture and Natural Resources **Sponsor:** Rep. Pelanda

Local Impact Statement Procedure Required: No

Contents: Includes diseases of concern within the scope of the Animal Diseases Law and makes other changes

State Fiscal Highlights

- The Department of Agriculture's (AGR) Division of Plant Health may incur minimally increased costs to conduct licensure examinations for pesticide applicator licensees who have not renewed their licenses within 180 days of expiration. The Division's Pesticide, Fertilizer, and Lime Program is supported by the Pesticide Program Fund (Fund 6690).
- AGR's Division of Animal Health, specifically the Animal Disease Program, could incur additional costs to regulate "diseases of concern." Any new costs could vary greatly depending on the nature of a disease of concern and the necessary steps taken by AGR to control it. The program is largely supported by the General Revenue Fund (GRF).
- The bill requires AGR to verify retail prices and the accuracy of point-of-sale (POS) register systems. Currently POS systems are verified by municipal and county divisions of weights and measures. It is unclear what costs AGR would incur to assume the responsibility for price verification. However, if AGR utilizes the inspection apparatus already in place any new costs would likely be minimal at most. Price verification would likely be overseen by AGR's Division of Weights and Measures, with the costs to administer the new responsibility paid from the GRF.
- The Ohio Environmental Protection Agency (EPA) may incur minimal administrative costs to establish requirements for public water systems to achieve optimal levels of fluoride in water.

Local Fiscal Highlights

- Convictions for violating the bill's prohibition concerning the installation and repair of commercially used weighing and measuring devices by unauthorized individuals could result in a minimal increase in fines collected by municipal and county common pleas courts.

- The new prohibition may also result in a minimal increase in costs for county sheriffs if there is an increase in the number of people sentenced to jail.
 - Public water systems may incur additional costs related to testing, equipment, materials, and compliance with EPA's standards regarding fluoridation.
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Detailed Fiscal Analysis

The bill makes several changes affecting the Department of Agriculture (AGR) that may have minor fiscal implications. Among these are (1) changes to timeframes pertaining to pesticide applicator license renewal and re-examinations of individuals that have allowed their applicator license to expire, (2) including "diseases of concern" within the scope of the Animal Diseases Law, and (3) changes to the laws concerning retail point-of-sale register systems and commercially operated weighing and measuring devices. The bill also makes changes that appear to have no fiscal effect including an exemption from licensure under the Auctioneers Law for sales of real or personal property via the Internet, provided that they are not conducted in conjunction with a live auction, and changes to the composition of the Farmland Preservation Advisory Board. Additional details and any fiscal effects are discussed in more detail under the headings below.

Pesticide applicators license

The bill revises the deadlines related to the renewal of commercial pesticide applicator and private applicator licenses. Under the bill, pesticide applicator licenses that have allowed their license to expire must renew the license within 180 days of expiration. If the license is not renewed within the 180-day time period, the licensee must take another licensure examination. Under current law, the deadline for commercial pesticide applicators to renew without re-examination is one year, and for private pesticide applicators, the deadline is determined by the Director of Agriculture. As a result, there could be an increase in the number of licensees that require re-examination. If so, AGR's Division of Plant Health Pesticide, in particular the Fertilizer and Lime Inspection Program, may incur a slight increase in costs to conduct the additional exams. The program is funded by license fees deposited to the credit of the Pesticide Program Fund (Fund 6690). The Division of Plant Health's pesticide examinations are also conducted by various community colleges and Ohio State University Extension offices.

Diseases of concern

The bill includes diseases of concern within the scope of the Animal Diseases Law, which under continuing law addresses dangerously contagious and infectious diseases. The bill defines a disease of concern as any disease, including any foreign animal disease, or vector, that the Director of Agriculture determines may have an adverse impact on the animal or poultry industry or to the public health but that is not a disease reportable to the U.S. Department of Agriculture (USDA). Under the bill, the Director gains authority to create and enforce rules regulating a disease of concern. This includes the power to order an investigation and the ability to quarantine a specific animal or geographic area to check for the presence of a disease of concern. This is not quite as stringent as investigations regarding dangerously contagious or infectious diseases, in which case the Director must carry out an investigation when notified of the possible presence of such diseases. Nevertheless, the new responsibility for regulating diseases of concern could result in additional workload for the Division of Animal Health's Animal Disease Program. If so, there could be a corresponding increase in costs which could vary greatly depending upon the nature of a particular disease of concern and the actions taken by the Division to control it. Costs for the Division's Animal Health Program are largely paid from the GRF.

Price verification

The bill requires the Director of Agriculture to verify advertised prices, price representations, and point-of-sale (POS) systems, as necessary, to determine the accuracy of prices and computations, the correct use of the equipment, and the accuracy of prices printed or recalled from a database if a system utilizes scanning or coding in lieu of manual entry. Under the bill, the Director must adopt rules establishing requirements governing the accuracy of advertised prices and POS systems and procedures for enforcement of those rules. Additionally the bill requires the Director to conduct necessary inspections. Currently, price verification audits of POS systems are conducted by county and municipal divisions of weights and measures. It is unclear how AGR would implement the new responsibility of price verification and what costs AGR would incur to do so. However, any new costs would likely be minimal if AGR establishes statewide price verification standards and continues to allow the local authorities to conduct inspections and carry out enforcement actions. AGR's Division of Weights and Measures would likely oversee the Department's price verification function. Costs to administer the responsibility would likely be paid from the GRF.

Commercially used weighing and measuring devices

The bill requires a service person who is employed by a commercially used weighing and measuring device servicing agency to register with AGR. As a result, AGR could incur minimal costs to administer this registration requirement. Additionally, the bill prohibits a person from installing, repairing, servicing, or placing into service a commercially used weighing and measuring device unless it is done by a

service person registered with AGR, by an AGR Division of Weights and Measures inspector, or a county or municipal weights and measures inspector. Under the bill, a person who violates this prohibition is guilty of a second degree misdemeanor on a first offense, and a first degree misdemeanor on each subsequent offense within seven years of the first. Although it is unlikely that very many cases would be prosecuted under this prohibition, municipal courts and county courts of common pleas could incur additional costs if the prohibition results in increased caseloads. Any new costs could be at least partially offset by fines collected from individuals found guilty of violating the prohibition. County sheriffs could also incur additional costs to incarcerate individuals convicted of violating the prohibition. Second degree misdemeanors are punishable by fines of up to \$750 and up to 90 days in jail. First degree misdemeanors are punishable by fines of up to \$1,000 and up to six months in jail.

Fluoridation by public water systems

The bill requires that the EPA adopt rules that establish requirements for public water systems to achieve optimal levels of fluoride in water supplied by those water systems. EPA is to ensure that the rules are consistent with the fluoride levels for public water systems specified by the United States Department of Health and Human Services. EPA may incur a minimal cost in order to establish requirements for public water systems to achieve optimal levels of fluoride. There may also be additional costs for testing fluoride levels in Ohio's 4,679 public water systems. To comply with the mandates, public water systems may need to start administering tests they are not presently administering, thus necessitating the acquisition of equipment and materials they may not currently have.

Additionally, the bill adds that fluoride should be added to water to attain the required content levels if a public water system that supplies water to more than 5,000 people is less than the required content level. If a public water system is under the required fluoride content level, there will be costs of adding fluoride to bring the water up to required levels if a system is not compliant with EPA's mandates.

Provisions with no apparent fiscal effect

Other provisions in the bill appear to have no fiscal effect. First, the bill modifies the composition of the Farmland Preservation Advisory Board by removing a requirement that one member be a representative of the Ohio State University. Instead, the bill requires one member to be a representative of an Ohio university. Additionally, the bill makes changes to the basis for standards for weights and measures. Finally, the bill provides an exemption from licensure under the Auctioneers Law for sales of real or personal property conducted via the Internet provided that they are not conducted in conjunction with a live auction. Please see the LSC Bill Analysis for additional details.