

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based only on the provisions contained in the legislation as of the latest date listed below.)

BILL: SB 1960

SPONSOR: Senator King

SUBJECT: Onsite Sewage Treatment and Disposal Systems

DATE: April 24, 2000 REVISED: 4/25/00 _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Liem</u>	<u>Wilson</u>	<u>HC</u>	<u>Favorable</u>
2.	_____	_____	<u>FP</u>	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____

I. Summary:

Senate Bill 1960 provides regulatory and permitting requirements for performance-based and aerobic treatment unit onsite sewage treatment systems. The bill requires owners of engineer-designed performance-based systems and aerobic treatment unit systems to have maintenance service agreements with entities permitted by the Department of Health. The requirement that the owner obtain a system operating permit is removed, and placed instead on the maintenance entity with which the owner contracts, which is required to inspect the system twice annually. Maintenance entities are required to obtain an annual system operating permit from the department for each system under service contract. The bill requires the maintenance entity to report quarterly to the department the number of performance-based systems inspected and serviced.

The Department of Health is given rule authority to establish minimum qualifying criteria for maintenance entities. The bill requires maintenance entities to file a surety bond with the department for the benefit of a system owner who suffers a financial loss as a result of the misuse of funds collected pursuant to the section. The bill requires surety companies canceling or not renewing bonds to notify the department 30 days in advance of the action, giving the reason for the action.

The bill requires the owner of an aerobic treatment unit (ATU) system to allow the department to inspect the system during reasonable hours at least twice each year and annually collect and analyze samples for compliance with performance criteria established by the department.

The operating permit fee for these systems is reduced from the current range of \$150 to \$300 to not more than \$50. A fee is established for a maintenance entity permit for performance-based treatment systems.

The bill amends ss. 381.0065 and 381.0066, F.S.

II. Present Situation:

Performance-based treatment systems and ATUs are mechanical onsite sewage treatment and disposal systems. They are generally used in environmentally sensitive areas where a standard onsite sewage disposal system such as a septic tank is not appropriate due to the presence of a high water table or insufficient land. These systems require routine servicing and monitoring to ensure proper operation, and to prevent creation of a sanitary nuisance through failure. Systems that are not functioning properly can dump raw, untreated sewage directly onto the land. Many manufacturers will not sell these systems to an end user without a 2 year maintenance agreement.

ATUs must be serviced by representatives of an authorized maintenance entity who have been trained by the manufacturer, and who have access to approved spare parts. The department is granted authority to charge fees for ATU maintenance entity permits in s. 381.0066, F.S., but is not given specific authority to regulate these entities or performance-based treatment system maintenance entities.

For ATUs installed after July 1, 1991, the department charges an annual fee of \$150 for an operating permit. The annual fee for an ATU maintenance entity permit is \$25. Both of these fees are the minimum authorized by current statute. Non-permitted ATUs are units installed prior to July 1, 1991, which are monitored for current maintenance contracts even though no annual operating permit fees are collected from them.

Current statutes do not specifically provide for a maintenance entity for performance-based treatment systems. However, the majority of these units currently incorporate an ATU and would require maintenance under the statute and rule.

The department reports that there are currently 1481 permitted ATU systems in Florida. During FY 1998-2000, the department performed 2194 inspections and took 1220 effluent samples from these units.

Permitted ATUs should be inspected twice a year by the maintenance entity that services the unit (maintenance entities inspect commercial establishments four time a year). The county health department monitors to ensure that there is a current maintenance contract and samples for effluent quality. The maintenance entity furnishes the county health department a listing of all aerobic units inspected or serviced during the respective reporting system. They also report the date of the system inspection and the maintenance or service performed.

III. Effect of Proposed Changes:

The bill requires owners of engineer-designed performance-based systems and ATU systems to maintain a current maintenance service agreement with a maintenance entity which has been permitted by the department, and transfers the responsibility for obtaining the operating permit for the system from the owner to the maintenance entity. The bill requires the department to inspect an engineer-designed performance-based system at least annually, or on such periodic basis as the fee collected permits. The bill specifies that the owner of an ATU must allow the department to inspect during reasonable hours at least twice each year, and collect and analyze effluent samples for performance criteria established by rule of the department. The bill requires both types of

systems to be inspected twice each year by the maintenance entity, and requires maintenance entities to report quarterly to the department the number of performance-based systems inspected and serviced.

The bill requires the Department of Health to regulate and permit maintenance entities for performance-based treatment systems and ATU systems. The department is given rule authority; criteria are specified which must be addressed in standards for maintenance entities. A requirement is established that maintenance entities file a surety bond contingent on the faithful compliance of the maintenance entity with s. 381.0065, F.S., and rules adopted under that section. The bond is for the benefit of a system owner who suffers a financial loss as a result of the misuse or misappropriation by the maintenance entity of funds collected pursuant to the section. The bill requires surety companies canceling or not renewing bonds to notify the department 30 days in advance of the action, giving the reason for the action.

The bill adds an operating permit fee for performance-based treatment systems, and reduces the operating permit fee for both types of systems from the currently allowed range of between \$150 and \$300 per year to \$50 per year.

The bill adds a fee for performance-based treatment system maintenance entity permits of between \$25 and \$150 per year.

The bill takes effect July 1, 2000.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

The provisions of this bill have no impact on municipalities and the counties under the requirements of Article VII, Section 18 of the Florida Constitution.

B. Public Records/Open Meetings Issues:

The provisions of this bill have no impact on public records or open meetings issues under the requirements of Article I, Subsections 24(a) and (b) of the Florida Constitution.

C. Trust Funds Restrictions:

The provisions of this bill have no impact on the trust fund restrictions under the requirements of Article III, Subsection 19(f) of the Florida Constitution.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

Under the bill, maintenance entities for performance-based treatment system entities will be required to obtain a permit. According to the department, most of these systems incorporate ATU systems, therefore most entities providing their maintenance are already permitted.

B. Private Sector Impact:

In the instance of owners of ATU and performance-based systems who have purchased maintenance agreements the bill will reduce costs.

C. Government Sector Impact:

With the current \$150 ATU annual operating permit fee the program is fully self-supported. If fees are set at \$50, there will be a net loss in revenue of \$100 per unit. The department had permitted 1,200 ATUs in 1999 and projects to have permitted 1,700 ATUs in 2000. The number of performance-based treatment systems installed in the state is not significant at the current time, but will increase, particularly in the Florida Keys where advanced treatment systems are required.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

None.