

STORAGE NAME: h1505.ep
DATE: March 26, 1997

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
ENVIRONMENTAL PROTECTION
BILL RESEARCH & ECONOMIC IMPACT STATEMENT**

BILL #: HB 1505
RELATING TO: Public Water Systems
SPONSOR(S): Representative Smith
STATUTE(S) AFFECTED: s. 381.0062, F.S.
COMPANION BILL(S):

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:

- (1) ENVIRONMENTAL PROTECTION
- (2)
- (3)
- (4)
- (5)

I. SUMMARY:

HB 1505 amends s. 381.0062, F.S., to create an exemption from the Department of Health's (DOH) permitting requirements for a limited-use commercial public water system that does not provide tap water for the public. It exempts systems if they are registered, pay a one time fee, provide bottled water for consumption by their employees and post notices of non-potability at all their water outlets. The exemption also includes any owner of a duplex, triplex, or quadruplex.

The bill will have an estimated \$1.8 million dollar negative fiscal impact to the DOH and will require limited-use commercial public water systems to expend an estimated \$226 per year to supply bottled water.

This act shall take effect July 1, 1997.

II. SUBSTANTIVE RESEARCH:

A. PRESENT SITUATION:

The DOH oversees the regulation of limited use community and commercial public water systems and private water systems. Specific authority is granted under s. 381.0062, F.S., which directs that standards and permits be issued to ensure that these systems meet satisfactory standards for human consumption. The statute also provides for the granting of exemptions, from annual permitting requirements, for the owner of a limited-use commercial public water system which does not make tap water available for public consumption, provided they:

1. Register with the department;
2. Perform an initial water quality clearance of the water supply well;
3. Conduct annual testing for bacteria in the form of one satisfactory microbiological sample per calendar year. In the event that the establishment changes ownership or business activity, re-registration is required; and
4. Pay a registration fee of \$15.

“Public consumption” is defined to mean the oral ingestion or physical contact with water for any purpose other than cleaning work areas or simple hand washing. Examples of public consumption include: when making food or beverages available to the public; water used for washing food, cooking utensils, or food service areas; hair washing, showers; washing surfaces accessed by children as in a child care center; washing medical instruments; and water used in schools.

The 1996 Legislature adopted Chapter 96-303, Laws of Florida, to conform Florida law to federal water quality regulations and to ensure compliance with Florida plumbing codes. Specifically the act provided the definition for “public consumption” in order to provide a standard for identifying which water supply systems will be required to meet established codes and regulations. Additionally, the act, provided the exemption described in a previous paragraph.

B. EFFECT OF PROPOSED CHANGES:

The proposed bill would allow any establishment with a limited-use commercial public water system that provides bottled water for its employees, to be exempt from obtaining an annual operating permit provided they are registered with the department and a non-potable water notice is posted at each water outlet. This exemption is also extended to any owner of a duplex, triplex, or quadruplex.

The DOH indicates that the bill conflicts with federal Occupational Safety and Health Administration (OSHA) standards which require piped potable water in every place of employment. Additionally it is not consistent with the state plumbing code which requires every commercial establishment to have a piped potable water source. The bill

would also remove the protection of potable water to residents of duplexes, triplexes and quadruplexes. It is estimated by the DOH that the bill would impact drinking water systems that serve 16,000 residents, 36,000 employees and as many as 3 million customers each year.

C. APPLICATION OF PRINCIPLES:

1. Less Government:

a. Does the bill create, increase or reduce, either directly or indirectly:

(1) any authority to make rules or adjudicate disputes?

Yes, the bill eliminates regulatory authority of drinking water in certain commercial establishments and selected residential units.

(2) any new responsibilities, obligations or work for other governmental or private organizations or individuals?

No.

(3) any entitlement to a government service or benefit?

No

b. If an agency or program is eliminated or reduced:

(1) what responsibilities, costs and powers are passed on to another program, agency, level of government, or private entity?

Owners of these water systems who choose to exercise the exemption must provide bottled water for their employees.

(2) what is the cost of such responsibility at the new level/agency?

The cost of providing bottled water to employees is dependant on the size of the workforce employed.

(3) how is the new agency accountable to the people governed?

Not applicable

2. Lower Taxes:

a. Does the bill increase anyone's taxes?

No

b. Does the bill require or authorize an increase in any fees?

No

c. Does the bill reduce total taxes, both rates and revenues?

No

d. Does the bill reduce total fees, both rates and revenues?

No

e. Does the bill authorize any fee or tax increase by any local government?

No

3. Personal Responsibility:

a. Does the bill reduce or eliminate an entitlement to government services or subsidy?

No

b. Do the beneficiaries of the legislation directly pay any portion of the cost of implementation and operation?

No

4. Individual Freedom:

a. Does the bill increase the allowable options of individuals or private organizations/associations to conduct their own affairs?

Yes, the bill discontinues regulatory oversight of drinking water being provided in selected residential and commercial facilities.

- b. Does the bill prohibit, or create new government interference with, any presently lawful activity?

No

5. Family Empowerment:

- a. If the bill purports to provide services to families or children:

- (1) Who evaluates the family's needs?

Not applicable

- (2) Who makes the decisions?

Not applicable

- (3) Are private alternatives permitted?

Not applicable

- (4) Are families required to participate in a program?

Not applicable

- (5) Are families penalized for not participating in a program?

Not applicable

- b. Does the bill directly affect the legal rights and obligations between family members?

Not applicable

- c. If the bill creates or changes a program providing services to families or children, in which of the following does the bill vest control of the program, either through direct participation or appointment authority:

- (1) parents and guardians?

Not applicable

(2) service providers?

Not applicable

(3) government employees/agencies?

Not applicable

D. SECTION-BY-SECTION RESEARCH:

Section 1: Amends s. 381.0062, F.S., to provide an exemption for owners of limited-use commercial public water systems from obtaining an annual operating permit from the department. This exemption is also provided for any owner of a duplex, triplex, or quadruplex.

Section 2: This act shall take effect July 1, 1997.

III. FISCAL RESEARCH & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

2. Recurring Effects:

The fiscal impact estimated by the DOH is based upon the elimination of annual permit fees and associated water sample collection and analytical fees. The DOH reports that there are 3,197 permitted limited-use community public water systems serving duplexes, triplexes, or quadruplexes, and 12,436 other limited-use commercial registered water systems. The DOH anticipates an annual loss of \$1.8 million.

3. Long Run Effects Other Than Normal Growth:

None

4. Total Revenues and Expenditures:

See A.2.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

None

2. Recurring Effects:

None

3. Long Run Effects Other Than Normal Growth:

None

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

Owners of limited-use commercial public water systems who choose to accept the terms of the exemption would be responsible for providing bottled water to their employees.

The DOH estimates that it will cost the limited-use registered water systems approximately \$266 per year to supply bottled water.

2. Direct Private Sector Benefits:

Owners of these water systems would no longer be required to expend funds to perform an initial water quality clearance of the well water supply or conduct annual testing for bacteria.

3. Effects on Competition, Private Enterprise and Employment Markets:

None

D. FISCAL COMMENTS:

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

The bill does not require counties or municipalities to spend funds or to take an action requiring the expenditure of funds.

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B. REDUCTION OF REVENUE RAISING AUTHORITY:

The bill does not reduce the revenue raising authority of cities or counties.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

The bill does not reduce the amount of a state tax shared with cities and counties.

V. COMMENTS:

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

VII. SIGNATURES:

COMMITTEE ON ENVIRONMENTAL PROTECTION:

Prepared by:

Legislative Research Director:

Barbara Snyder Clampett

Wayne Kiger