

**As Introduced**

**127th General Assembly  
Regular Session  
2007-2008**

**S. B. No. 172**

**Senator Cafaro**

**Cosponsors: Senators Grendell, Fedor, Roberts, Kearney, Mason, Boccieri,  
Smith, Miller, D., Morano, Wilson**

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**A B I L L**

To amend section 319.281 and to enact sections 1  
3718.30 to 3718.38 of the Revised Code to delay 2  
the application of the rules adopted under the 3  
Household and Small Sewage Treatment Systems Law 4  
that are related to the rehabilitation, 5  
renovation, improvement, or replacement of an 6  
existing household sewage treatment system, to 7  
establish the Household Sewage Treatment System 8  
Revolving Loan Program and the Household Sewage 9  
Treatment System Grant Program in the Department 10  
of Health to provide loans and grants to eligible 11  
persons for repairs to or upgrades of household 12  
sewage treatment systems, to make appropriations, 13  
and to declare an emergency. 14

**BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:**

**Section 1.** That section 319.281 be amended and sections 15  
3718.30, 3718.31, 3718.32, 3718.33, 3718.34, 3718.35, 3718.36, 16  
3718.37, and 3718.38 of the Revised Code be enacted to read as 17  
follows: 18

Sec. 319.281. (A) The county auditor shall place on the 19  
general tax list and duplicate compiled in accordance with section 20  
319.28 of the Revised Code the amount certified by the health 21  
commissioner of a city or general health district pursuant to 22  
section 3709.091 of the Revised Code of any unpaid operation 23  
permit or inspection fee for a household sewage treatment system 24  
or a small flow on-site sewage treatment system or any other 25  
unpaid fee levied under Chapter 3718. of the Revised Code and any 26  
accrued late payment penalties, together with any fee charged by 27  
the county auditor for placing the amount on the general tax list 28  
and duplicate and for the expenses of its collection. The amount 29  
placed on the general tax list and duplicate shall be a lien on 30  
the real property on which the household sewage treatment system 31  
or small flow on-site sewage treatment system is located from the 32  
date the amount was placed on the tax list and duplicate, and 33  
shall be charged and collected in the same manner as taxes on the 34  
list. 35

(B) The county auditor shall place on the general tax list 36  
and duplicate compiled in accordance with section 319.28 of the 37  
Revised Code the amount certified by the director of health 38  
pursuant to rules adopted under section 3718.32 of the Revised 39  
Code of the repayment of a loan from the household sewage 40  
treatment system revolving loan fund created under section 3718.31 41  
of the Revised Code that the person receiving the loan has chosen 42  
to have assessed as a part of the person's real property taxes. 43  
The amount placed on the general tax list and duplicate shall be 44  
charged and collected in the same manner as taxes on the list. 45  
After each settlement under divisions (A) and (C) of section 46  
321.24 of the Revised Code, the county treasurer shall provide for 47  
payment from the undivided income fund to the household sewage 48  
treatment system revolving loan fund the amount of loan repayments 49  
collected. 50

Sec. 3718.30. As used in sections 3718.30 to 3718.38 of the Revised Code: 51  
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(A) "Eligible person" means a person who qualifies as a person with a failing household sewage treatment system pursuant to guidelines that the director of health establishes in rules adopted under section 3718.32 of the Revised Code for purposes of the revolving loan program and under section 3718.36 of the Revised Code for purposes of the grant program. 53  
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(B) "Eligible project" means the rehabilitation, renovation, improvement, or replacement of a household sewage treatment system. 59  
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(C) "Grant program" means the grant program established in sections 3718.30 and 3718.35 to 3718.37 of the Revised Code and rules adopted under section 3718.36 of the Revised Code. 62  
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(D) "Revolving loan program" means the loan program established in sections 3718.30 to 3718.34 of the Revised Code and rules adopted under section 3718.32 of the Revised Code. 65  
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Sec. 3718.31. There is hereby created in the state treasury the household sewage treatment system revolving loan fund consisting of money appropriated or transferred to it and any grants, gifts, or contributions of money received for deposit to the credit of the fund. 68  
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The director of health shall use money in the fund for the purpose of making loans under section 3718.33 of the Revised Code. Interest income and income from the investment of money in the fund shall be credited to the fund. 73  
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Sec. 3718.32. The director of health shall adopt rules in accordance with Chapter 119. of the Revised Code that the director determines are necessary for the implementation of the revolving 77  
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loan program. The rules, at a minimum, shall establish all of the 80  
following: 81

(A) Guidelines for determining if a person qualifies as a 82  
person with a failing household sewage treatment system; 83

(B) Interest rates of only three and five per cent for loans 84  
that are made under the revolving loan program. In addition, the 85  
rules shall require that an eligible person who has an annual 86  
income equal to or less than two hundred per cent of the federal 87  
poverty level receive a loan with an interest rate of three per 88  
cent and an eligible person who has an annual income greater than 89  
two hundred per cent of the federal poverty level receive a loan 90  
with an interest rate of five per cent. 91

(C) Procedures and requirements in accordance with which an 92  
eligible person who receives a loan may choose to have the 93  
repayment of the loan assessed as a part of the person's real 94  
property taxes. In addition, the rules shall require the director 95  
to certify to the applicable county auditor the amount of the 96  
repayment of a loan that is to be so assessed for purposes of 97  
placement on the general tax list and duplicate compiled in 98  
accordance with section 319.28 of the Revised Code. 99

(D) Procedures and requirements in accordance with which a 100  
board of health must determine the allowable estimated cost of an 101  
eligible project. The rules shall require that the allowable 102  
estimated cost be equal to the difference between the estimated 103  
cost of an eligible project that complies with the rules adopted 104  
by the public health council under section 3718.02 of the Revised 105  
Code that took effect on January 1, 2007, and the estimated cost 106  
of an eligible project that would have complied with the rules 107  
adopted by the council that were in effect prior to January 1, 108  
2007, and were codified in Chapter 3701-29 of the Administrative 109  
Code. 110

(E) Procedures by which a board of health must notify the 111  
director of the board's determination of the allowable estimated 112  
cost of an eligible project in accordance with the rules adopted 113  
under division (D) of this section. 114

(F) As used in this section, "federal poverty level" has the 115  
same meaning as in section 3718.36 of the Revised Code. 116

**Sec. 3718.33.** (A) The director of health may lend money in 117  
the household sewage treatment system revolving loan fund to an 118  
eligible person for the purpose of paying the allowable estimated 119  
cost of an eligible project. Loans shall be made under this 120  
section in accordance with the procedures and requirements 121  
established in rules adopted under section 3718.32 of the Revised 122  
Code and only if the director determines that all of the following 123  
apply: 124

(1) The project is an eligible project. 125

(2) The repayment of the loan will be adequately secured by a 126  
mortgage, lien, assignment, or pledge at a level of priority that 127  
the director requires. 128

(3) The amount of the loan does not exceed the allowable 129  
estimated cost of the project as determined by the applicable 130  
board of health in accordance with the rules adopted under section 131  
3718.32 of the Revised Code. 132

The interest rate for a loan that is made under this section 133  
shall not exceed five per cent as established in rules adopted 134  
under section 3718.32 of the Revised Code. 135

(B) The director may take any actions that are necessary or 136  
appropriate with respect to a loan that is made under this 137  
section, including facilitating the collection of amounts due on a 138  
loan. 139

Sec. 3718.34. All money that is received by the state from 140  
the repayment of loans that are made from the household sewage 141  
treatment system revolving loan fund, including interest, fees, 142  
and charges associated with such loans, shall be deposited in the 143  
state treasury to the credit of the fund. 144

Sec. 3718.35. There is hereby created in the state treasury 145  
the household sewage treatment system grant fund consisting of 146  
money appropriated or transferred to it and any grants, gifts, or 147  
contributions of money received for deposit to the credit of the 148  
fund. 149

The director of health shall use money in the fund for the 150  
purpose of making grants under section 3718.37 of the Revised 151  
Code. Interest income and income from the investment of money in 152  
the fund shall be credited to the fund. 153

Sec. 3718.36. The director of health shall adopt rules in 154  
accordance with Chapter 119. of the Revised Code that the director 155  
determines are necessary for the implementation of the grant 156  
program. The rules, at a minimum, shall establish all of the 157  
following: 158

(A) Guidelines for determining if a person qualifies as a 159  
person with a failing household sewage treatment system; 160

(B) A requirement that an eligible person be sixty-five years 161  
of age or older or have an annual income that is equal to or less 162  
than one hundred fifty per cent of the federal poverty level in 163  
order to qualify for a grant; 164

(C) Procedures and requirements governing applications for 165  
grants; 166

(D) Procedures and requirements governing the awarding of 167  
grants; 168

(E) Procedures and requirements in accordance with which a board of health must determine the allowable estimated cost of an eligible project. The rules shall require that the allowable estimated cost be equal to the difference in the estimated cost of an eligible project that complies with the rules adopted by the public health council under section 3718.02 of the Revised Code that took effect on January 1, 2007, and the estimated cost of an eligible project that would have complied with the rules adopted by the council that were in effect prior to January 1, 2007, and were codified in Chapter 3701-29 of the Administrative Code.

(F) Procedures by which a board of health must notify the director of the board's determination of the allowable estimated cost of an eligible project in accordance with the rules adopted under division (E) of this section.

(G) As used in this section, "federal poverty level" means the income level represented by the poverty guidelines as revised annually by the United States department of health and human services in accordance with section 673(2) of the "Omnibus Reconciliation Act of 1981," 95 Stat. 511, 42 U.S.C. 9902, as amended, for a family size equal to the size of the family of the person whose income is being determined.

**Sec. 3718.37.** The director of health may grant money in the household sewage treatment system grant fund to an eligible person for the purpose of paying the allowable estimated cost of an eligible project. Grants shall be made under this section in accordance with the procedures and requirements established in rules adopted under section 3718.36 of the Revised Code and only if the director determines that both of the following apply:

(A) The project is an eligible project.

(B) The amount of the grant does not exceed the allowable estimated cost of the project as determined by the applicable

board of health in accordance with rules adopted under section 200  
3718.36 of the Revised Code. 201

Sec. 3718.38. (A) Notwithstanding any provision of this 202  
chapter or rules adopted under it to the contrary, a person who is 203  
notified by a board of health that the person must replace the 204  
person's existing household sewage treatment system with a new 205  
household sewage treatment system for the purpose of complying 206  
with the rules adopted under section 3718.02 of the Revised Code 207  
may request the board of health instead to prescribe and authorize 208  
a temporary improvement of the existing system if the person is or 209  
has been notified by a state agency or a political subdivision 210  
that the person will be required to connect the person's premises 211  
to a sewerage system, as defined in section 6111.01 of the Revised 212  
Code, within ten years after receipt of the connection notice. 213

(B) If a board of health receives a request from a person who 214  
meets the requirements established in division (A) of this 215  
section, the board shall prescribe a temporary improvement of the 216  
person's existing household sewage treatment system. The cost of 217  
the temporary improvement shall not exceed fifteen per cent of the 218  
person's estimated cost to install a new household sewage 219  
treatment system that complies with the rules adopted under 220  
section 3718.02 of the Revised Code. 221

**Section 2.** That existing section 319.281 of the Revised Code 222  
is hereby repealed. 223

**Section 3.** Not later than thirty days after the effective 224  
date of this act, the Director of Budget and Management shall 225  
transfer \$10,000,000 cash from the General Revenue Fund to the 226  
Household Sewage Treatment System Revolving Loan Fund (Fund XXX) 227  
created in section 3718.31 of the Revised Code, as enacted by this 228  
act. Any moneys transferred are hereby appropriated. 229



**Section 4.** Not later than thirty days after the effective 230  
date of this act, the Director of Budget and Management shall 231  
transfer \$5,000,000 cash for fiscal year 2008, and \$5,000,000 cash 232  
for fiscal year 2009, from the General Revenue Fund to the 233  
Household Sewage Treatment System Grant Fund (Fund XXX) created in 234  
section 3718.35 of the Revised Code, as enacted by this act. Any 235  
moneys transferred are hereby appropriated. 236

**Section 5.** On and after the effective date of this act, a 237  
board of health shall not require the rehabilitation, renovation, 238  
improvement, or replacement of a household sewage treatment system 239  
that is in existence on the effective date of this act pursuant to 240  
rules adopted by the Public Health Council under section 3718.02 241  
of the Revised Code until the effective date of the rules that are 242  
required to be adopted under sections 3718.32 and 3718.36 of the 243  
Revised Code, as enacted by this act. 244

**Section 6.** This act is hereby declared to be an emergency 245  
measure necessary for the immediate preservation of the public 246  
peace, health, and safety. The reason for such necessity is that 247  
the delay in the application of the rules adopted by the Public 248  
Health Council under Chapter 3718. of the Revised Code related to 249  
the rehabilitation, renovation, improvement, or replacement of an 250  
existing household sewage treatment system is necessary to provide 251  
additional time for the citizens of this state to prepare for 252  
compliance with those rules and that without such a delay the 253  
citizens of this state will be subject to an undue economic 254  
burden. Therefore, this act shall go into immediate effect. 255