



Innovative Sewage Treatment Fund Contributions

ODH has contributed $\frac{1}{4}$ of state sewage permit fees to the Innovative Sewage Treatment System Products Fund since 2007 resulting in more than \$29,000 each year.

Although the Innovation Fund has only been awarded to one applicant over the last five years, there is interest in retaining a modest level of funding to support new technology projects for home sewage systems.

The Department of Health seeks to reduce the percentage of the state sewage permit fee set aside for the Innovation Fund from 25 percent to 10 percent.

The Department recognizes the importance of supporting innovative products as per the original statutory intent; therefore ODH is not proposing to completely eliminate the contribution. However, if the contribution is reduced, the difference (15 percent) will be used to administer the sewage program. Once administrative rules are adopted in 2013, the state permit fee will be used to fund the majority of program costs.

By reducing the state fee set aside from 25% to 10%, ODH will be able to:

- reduce the program's reliance on general revenue funds and
- lower state permit fees for homeowners who needs to install, alter or replace a sewage system

The sewage fee was established as a temporary fee by the 127th General Assembly under Sub House Bill 119; however, the bill continued to be amended into Sub HB 1 by the 128th General Assembly. The fee of \$25 has remained. ODH is currently proposing rules that include a new fee of \$74, which will reduce the program's reliance on GRF.

If the set aside percentage is not reduced, ODH will need to establish higher state permit fees to meet the program's statutory requirements to administer ORC Chapter 3718. Higher state permit fees would be paid by homeowners who are installing a new system when building a home, or repairing or altering an existing system.

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