

# Texas Environmental Tax & Fee Reform Project

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## The Public Water Systems Fee: In Need of Change

*Prepared by:*



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# The Public Water Systems Fee: In Need of Change

## I. Introduction

The Texas Natural Resource Conservation Commission (TNRCC) is proposing a new rule changing the way it calculates the Public Health Service Fee, which partially funds the State Drinking Water Program.<sup>1</sup> The present fee is both inadequate to fund the program and is also inequitable, with small utilities paying substantially more on a per-connection basis than large utilities.<sup>2</sup> With more than 6,500 water supply corporations, districts, public utilities and cities paying this annual fee, the issue is not only important to the utilities themselves, but all Texans concerned with safe drinking water and the proper administration and oversight of safe drinking water. This brief report outlines the present fee rate, outlines a revised proposal by consumer, public interest and environmental organizations first advanced during the recent legislative session, and presents TNRCC's proposed fee change. The report ends by looking at five states which are funding their drinking water programs more adequately: California, Michigan, Minnesota, Ohio and Tennessee; and recommending some alternative approaches for a more equitable fee structure for Texas.

## II. The Current Fee Rate

The main fee mechanism for the drinking water program is the Public Health Service Fee, which is assessed on both large and small drinking water utilities. The fee raised slightly more than \$3.7 million in FY2001, but with new radon and arsenic federal regulations expected to arrive soon, the costs and needs of the program are expected to increase. It is important to note that under the Appropriations Act and TNRCC's budget, the agency is limited in any case to being able to set aside \$3.48 million per fiscal year for the program, although future legislative action could raise this "cap."

The total fee is based upon the number of wells, the number of surface water plants and most importantly, the number of connections. Nonetheless, the number of connections fee is not based upon a flat rate, but rather on a negative exponential formula, which actually decreases the cost per connection as the number of connections increases.<sup>3</sup> Consequently, there is a wide variation in the average cost per connection between large and small systems. For example, in FY 2001, while the largest system --the City of Houston -- paid an

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<sup>1</sup> Authority to set the fee is under Texas Health and Safety Code, 341.141. The fee itself is set through rules contained in 30 Texas Administrative Code Section 290.51.

<sup>2</sup> Added to this inequity, public utilities, water supply or sewer service corporations and other districts must collect a "regulatory assessment fee" from each customer from between 0.5% to 1.0% of the charge for water or sewer service to support the agency's oversight of district, water supply or sewer service corporations and districts. Large municipal systems, on the other hand, are not assessed this fee. See Texas Water Code, 5.235 (n).

<sup>3</sup> Under 30 Texas Administrative Code Section 290.51 (a)(3) the connection fee is calculated according to the following formula:  $\text{Fee} = (c)^{0.65} \times \$9.50$ ; where (c) = Number of connections.

average of 0.07 cents for each connection, the 5,826 smallest systems paid an average of \$1.79 per connection (see **Table 1**).

**Table 1. Public Water System Fee. Rate per Connection, FY 2001**

Systems Grouped by Number of Water Connections	Total Number of Connections	Total Fees Paid, 2001	Number of Systems	Rate Per Connection
500,000 or more	1,344,315	\$99,344	1	\$0.07
200,000 to 500,000	839,111	\$90,153	2	\$0.11
100,000 to 200,000	506,286	\$79,167	3	\$0.16
10,000 to 100,000	2,203,055	\$618,796	87	\$0.28
1,000 to 10,000	1,943,585	\$1,284,753	754	\$0.66
Less than 1,000	859,770	\$1,537,615	5,826	\$1.79
<b>TOTALS</b>	<b>7,696,123</b>	<b>\$3,709,829</b>	<b>6,674</b>	<b>\$0.48</b>

Similarly, Dallas and San Antonio paid about \$0.11 cents per connection, while medium-sized cities like Del Rio, Brownsville and Laredo paid more than double that amount per connection (see graph below and **Table 2**). Generally, utilities in rural counties pay considerably more per connection than in urban counties.

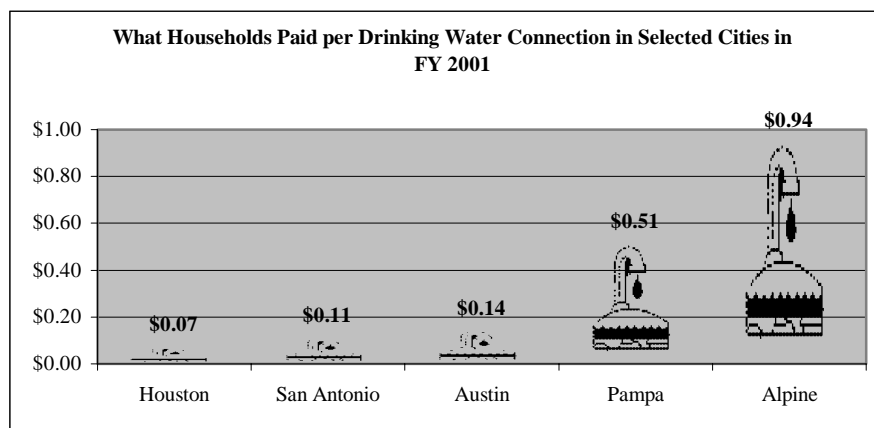


Table 2. Rate per Connection in Selected Cities, FY 2001

Name of City	Rate per Connection
Houston	0.07
Dallas	0.10
San Antonio	0.11
Austin	0.14
Fort Worth	0.15
Plano	0.18
El Paso	0.18
Arlington	0.19
Waco	0.21
Laredo	0.23
Brownsville	0.27
Pampa	0.51
Alpine	0.94

### III. Alliance for Clean Texas Legislative Proposal

In order to produce a more equitable system between large and small systems, the current "number of connections" fee could be replaced by a flat rate per connection fee. The well fee and surface plant fee could be eliminated as part of this option. For example, if the current fee were replaced by a flat rate fee of 50 cents per connection (about equal to the current statewide average of 0.48 cents), the state would earn slightly more money, and there would be an equitable distribution of fees between small and large systems (see **Table 3**). A similar proposal was advanced during the legislative session by a number of environmental organizations working with the Alliance for Clean Texas, a coalition of environmental, consumer and public interest groups. While the proposal itself was not adopted, language was added to the statute calling for "equity" to be considered in determining what different drinking water supply providers pay to the TNRCC.

**Table 3. What would different sized systems have paid in FY 2001 if the current fee were changed to a flat \$0.50 per connection fee?**

Systems Grouped by Number of Water Connections	Number of Systems	Total Fees Paid, 2001	Total Fees at \$0.50 per connection*	Difference
500,000 or more	1	\$99,344	\$672,158	\$572,814
200,000 to 500,000	2	\$90,153	\$419,556	\$329,403
100,000 to 200,000	3	\$79,167	\$253,143	\$173,976
10,000 to 100,000	87	\$618,796	\$1,101,528	\$482,732
1,000 to 10,000	754	\$1,284,753	\$971,793	(\$312,960)
Less than 1,000	5,826	\$1,537,615	\$672,072	(\$865,543)
<b>TOTALS</b>	<b>6,674</b>	<b>\$3,709,829</b>	<b>\$4,090,248</b>	<b>\$380,419</b>

Note: \*Assumes minimum fee of \$75.00.

#### IV. Legislative Action and TNRCC's Proposal

The TNRCC Sunset Bill adopted by the legislature and signed by Governor Perry states that the Public Health Fee – the Drinking Water Inspection Fee – must be sufficient to “cover the costs” of the drinking water program and that the commission must consider “equity among persons required to pay the fees as a factor in determining the amount of the fees.”

Texas funds its drinking water program with a combination of state and federal sources. In FY 1999, TNRCC used \$6.7 million in state resources, \$5.33 million from the EPA in Public Water System Supervision (PWSS) grants, and \$5.88 million in set-aside grants from the State Drinking Water Revolving Fund to staff and run the drinking water program.<sup>4</sup> Thus, more than half of the cost for the state-funded portion of the drinking water program is derived from the public health fee. Despite the new provision that the fee must be sufficient to cover the costs of the program, it is important to note that the Appropriations Bill – SB 1 -- specifically set the limit that can be spent for the program from this fee at \$3,488,709 in FY 2002 and FY 2003. However, that same appropriations bill provides TNRCC with authorization to spend \$8.88 million in FY 2002 and \$8.01 million in FY 2003 to implement the Safe Drinking Water Program (This does not include the entire drinking water program budget, such as some field activities and the source assessment activities covered by the SRF set-aside funding). Thus, the budget process limits what can be raised by the fee to approximately 40% of the cost for this program area. It is expected that the requirements – and costs -- of the drinking water program will increase because of new federal drinking water standards for arsenic and other contaminants.

TNRCC staff has currently proposed simplifying the fee rate for the public water safety fee (see Table 4). Under the draft proposal – to be considered by the Commissioners on September 26<sup>th</sup> for possible publication -- the portion of the fee based both the number of water plants and the number of wells would be eliminated, and only the number of connections would determine the fee a particular utility would pay. In addition, the fee rate for the number of connections would change from: Fee = (c)<sup>0.65</sup> x \$9.50 where (c) = Number of connections; to Fee = (c)<sup>0.75</sup> x \$4.80 where (c) = Number of connections. Finally, the smallest utilities would be assessed a flat rate – those with less than 100 connections would be assessed \$150 dollars while those with less than 25 connections would be assessed a fee of \$75 dollars.

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<sup>4</sup> Information provided to Texas Center for Policy Studies, September 5, 2001, as used in General Accounting Office, Drinking Water: Spending Constraints Could Affect States' Ability to Implement Increasing Program Requirements. (GAO: Washington, D.C., August 2000).

**Table 4. Summary of Current Structure, TNRCC Proposal and ACT Flat-Rate Proposal**

Category	Present System	TNRCC Proposal	Draft	ACT Flat-Fee Proposal
Surface Water Plants	\$400 * No. of Surface Water Plants	No Fee		No Fee
Groundwater Wells	\$40 * No. of Groundwater Wells	No Fee		No Fee
Connections	$(c)^{0.65} \times \$9.50$ where (c) = Number of connections	$(c)^{0.75} \times \$4.80$ where (c) = Number of connections		\$0.50 per connection
Minimum Fee	\$75 minimum Noncommunity water systems fee is \$75	Less than 100 connections would pay \$150; less than 25 connections would pay \$75.		\$75 minimum

The effect of this change would be to increase fees on the largest water utilities in the state, keep fees on medium-sized relatively stable and decrease fees on the smaller systems slightly (Table 5). For example, based upon FY 2001, the City of Houston's payment would double from approximately \$99,000 to \$189,000, or from 0.07 to 0.16 cents per connection, while San Antonio's fee would increase from about \$44,000 to \$76,000. While the proposal is certainly more equitable than the present structure, it does not *substantially* change the present system, nor does it ensure the long-term funding needs of the water program.

If the legislature and budget process allowed TNRCC to increase the amount that could be appropriated from the fee in the future - as the new statutes dictates -- then the fee would need to be increased by either increasing the exponent from 0.75 to a higher exponent or increasing the multiplication factor from 4.8. This might be a very confusing process.

Instead, as the next two sections detail, TNRCC should consider other options, including those adopted by other states.



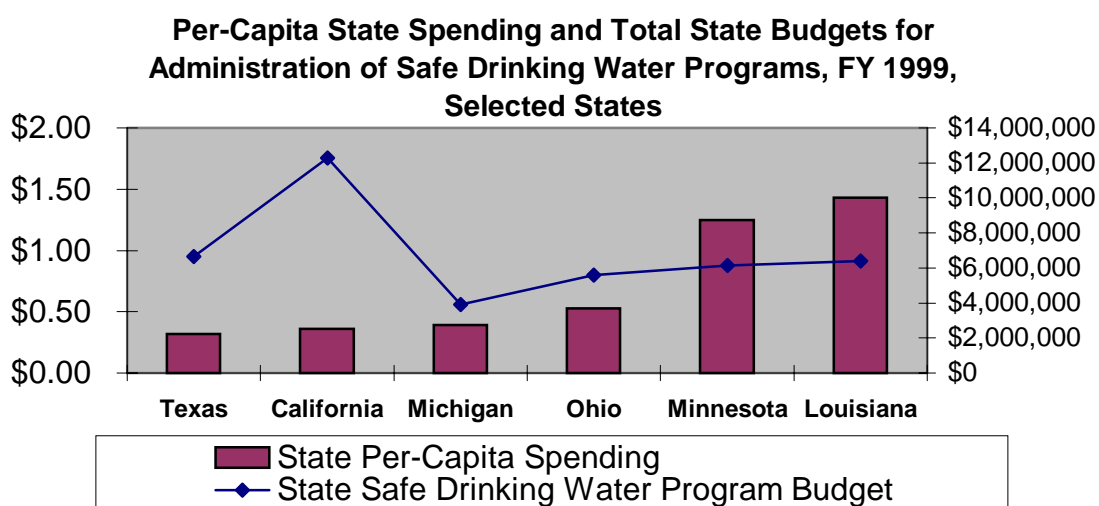
**Table 5. What Public Water Systems would pay under TNRCC proposed new Public Water System Fee. Rate per Connection.**

Systems Grouped by No. of Water Connections	Total Number of Connections	Total Fees Paid, 2001	Number of Systems	Rate Per Connection	Total Fees Paid under TNRCC proposal	Rate per Connection	Total Fees Paid at ACT \$0.50 per connection proposal	Rate per connection
500,000 or more	1,344,315	\$99,344	1	\$0.07	\$189,504	\$0.14	\$672,158	\$0.50
200,000 to 500,000	839,111	\$90,153	2	\$0.11	\$158,223	\$0.19	\$419,556	\$0.50
100,000 to 200,000	506,286	\$79,167	3	\$0.16	\$119,777	\$0.24	\$253,143	\$0.50
10,000 to 100,000	2,203,055	\$618,796	87	\$0.28	\$802,127	\$0.36	\$1,101,528	\$0.50
1,000 to 10,000	1,943,585	\$1,284,753	754	\$0.66	\$1,258,190	\$0.65	\$971,793	\$0.50
Less than 1,000	859,770	\$1,537,615	5,826	\$1.79	\$1,200,052	\$1.40	\$672,072	\$0.78*
<b>TOTALS</b>	<b>7,696,123</b>	<b>\$3,709,829</b>	<b>6,674</b>	<b>\$0.48</b>	<b>\$3,727,873</b>	<b>\$0.48</b>	<b>\$4,090,248</b>	<b>\$0.53</b>

\*Because there is a minimum fee of \$75 dollars, the per-connection fee is slightly higher for the smallest water users.

## V. How Other States Fund Their Drinking Water Program

According to information from a 2000 survey conducted by the General Accounting Office, Texas ranked 37<sup>th</sup> in per-capita state spending on drinking water programs in fiscal year 1999, spending \$0.32 per person to administer the Safe Drinking Water Act and related programs.<sup>5</sup> States such as Louisiana, Ohio, California, Michigan and Minnesota devoted considerably more on their drinking water programs on a per-capita and in some cases on a total basis (see graph). While Texas has increased funds for the drinking water program in recent years, it still lags behind several other large and medium-populated states in terms of providing adequate funding for its drinking water program.



Source: Information provided to Texas Center for Policy Studies, September 5, 2001, as used in General Accounting Office, *Drinking Water: Spending Constraints Could Affect States' Ability to Implement Increasing Program Requirements*. (GAO: Washington, D.C., August 2000).

States rely on fees, general revenue, enforcement actions, and federal grants from both the Safe Drinking Water Revolving Fund and Public Water System Supervision Grants from the EPA to fund their drinking water programs. One of the reasons the five states reviewed here spend more money on administering their safe drinking water systems is because they have enacted a more stable and equitable annual fee structure. Each of the states reviewed here has a slightly different system. They range from a true "cost-of-service" system (California) to a sliding scale based upon the number of connections (Michigan) to a flat per-connection rate (Minnesota and Louisiana) to a sliding per-connection rate (Ohio). Of particular interest is the example of Louisiana, which only adopted the per-connection fee rate in 2000, after years of relying on general revenues to cover the cost of its

<sup>5</sup> Information provided to Texas Center for Policy Studies, September 5, 2001, as used in General Accounting Office, *Drinking Water: Spending Constraints Could Affect States' Ability to Implement Increasing Program Requirements*. (GAO: Washington, D.C., August 2000).

drinking water program. Some \$4.1 million was collected in the course of the first year of the program, with the highest fee -- one of the New Orleans water systems -- paying \$364,000.<sup>6</sup> As in Texas, the state subsidizes the cost of collecting the samples using this fee. The table below reviews the key elements of the five state's fee structure while Appendix A provides the actual language from the rule or statute.

**Table 6. Summary of How Selected States Fund their Drinking Water Programs**

State and Oversight Agency	Large Systems	Smaller Systems	Total Money Raised by Fee in FY 2000	Name of Fee
California, State Department of Health Services	Based upon true cost of service to the agency <sup>7</sup> .	Less than 1,000 connections and non-community systems pay between \$100 and \$700 depending upon size of system.	\$6.246 million	Annual Drinking Water Operating Fee
Michigan, Dept. of Drinking Water and Radiological Protection	Annual fee based on number of residents ranging from \$250 to \$83,800 for systems with more than 500,000 residents. Increased by Detroit CPI.	\$360 for non-transient non-community systems and \$85.00 for transient non-community systems.	\$1.055 million non-community \$1.237 million community \$2.292 total	Community Supply and Non Community Supply Annual Fee
Minnesota, Department of Health	Per connection fee of up to \$5.21 for home rule charter city, a statutory city, a city of the first class, or a town.	Department of Health can establish per-connection cost for non-city utilities.	\$5.638 million	Public Water Supply Annual Fee

<sup>6</sup> Kate Gilmore, Office of Public Health, Louisiana Department of Health and Hospitals, Phone Interview, September 7, 2001. Louisiana changed to a flat per-connection rate during the 2000 legislative session.

<sup>7</sup> Based upon an hourly cost rate. This rate was set at \$86.36 per hour in 1999-00. For example, East Bay Mud, one of the large utilities in the San Francisco area, was billed between \$36,755 and \$44,949 over the last three years, while the LA City Dept of Water and Power paid between \$32,547 and \$106,625 in the last three fiscal years.

State and Oversight Agency	Large Systems	Smaller Systems	Total Money Raised by Fee in FY 2000	Name of Fee
Ohio, Ohio Environmental Protection Agency	Sliding per-connection fee; ranging from \$0.96 for systems with connection between 100 to 2,499 to \$0.56 for systems with connections more than 200,000.	Minimum of \$56 for small community water systems, and between \$56 and \$11,600 for non community water systems depending upon number of connections and number of wells.	\$2.683 million	License and Annual License Renewal Fee
Louisiana <sup>8</sup> , Department of Health and Hospitals, Safe Drinking Water Program	\$3.20 per connection fee for community systems collected by utilities from households; 0.32 cents subtracted for administration cost.	\$100 fee for non-community systems	\$4.1 million	Safe Drinking Water Administration Fee

<sup>8</sup> Kate Gilmore, Office of Public Health, Louisiana Department of Health and Hospitals, Phone Interview, September 7, 2001.

## VI. Recommendations

We favor a more equitable system than is being proposed by TNRCC. A review of five states which fund their safe drinking water programs at a higher per-capita level revealed a number of possible options which we feel would be more stable and adequate. Possible options include:

- ***a flat per-connection rate with a \$75 minimum.*** See Minnesota and Louisiana. As detailed earlier, a flat per-connection rate of \$0.50 cents would raise approximately the same amount of money as the present fee system and could be increased as the needs of the program or the appropriations process allow;
- ***a flat per-connection rate with a minimum and a maximum to both protect the largest utilities and guarantee that TNRCC's cost of service to the smallest utilities would be covered by the fee.*** For example, the maximum amount could be set at \$250,000 to protect the very largest utilities (i.e. Houston or Dallas), while the reasonable minimum amounts of \$75 and \$150 suggested by TNRCC could be adopted to cover cost-of-service for the smallest utilities;
- ***a sliding scale, based upon the number of connections to average out the cost between similar rates of payers.*** Ohio and Michigan use a sliding scale based upon either a cost per-connection or the total number of connections. As an example, water utilities with less than 25 connections could be assessed a fee of \$75, water utilities between 10,000 and 50,000 connections could be assessed a fee of \$7,500, and water utilities from 100,000 to 200,000 connections could be assessed a fee of \$75,000. This system would ensure that utilities of a similar size pay a similar amount, while protecting the largest utilities from very large fees.

Any of these systems would bring more equity than the TNRCC proposal and we believe would lead to more stable future funding for the drinking water program if the legislature allowed the fee to fund a greater percentage of the program.

## Appendix A: Rules and Statutes of Selected States' Annual Fees to Fund Safe Drinking Water Program

This appendix contains the actual cite and language from five states about their annual fees to fund their state's safe drinking water program.

### A. California

*Source: CALIFORNIA Health And Safety Code*

116565. (a) Each public water system serving 1,000 or more service connections and any public water system that treats water on behalf of one or more public water systems for the purpose of rendering it safe for human consumption, shall reimburse the department for actual cost incurred by the department for conducting those activities mandated by this chapter relating to the issuance of domestic water supply permits, inspections, monitoring, surveillance, and water quality evaluation that relate to that specific public water system. The amount of reimbursement shall be sufficient to pay, but in no event shall exceed, the department's actual cost in conducting these activities.

(b) Each public water system serving less than 1,000 service connections shall pay an annual drinking water operating fee to the department as set forth in this subdivision for costs incurred by the department for conducting those activities mandated by this chapter relating to inspections, monitoring, surveillance, and water quality evaluation relating to public water systems. The total amount of fees shall be sufficient to pay, but in no event shall exceed, the department's actual cost in conducting these activities.

Notwithstanding adjustment of actual fees collected pursuant to Section 100425 as authorized pursuant to subdivision (d) of Section 106590, the maximum amount that shall be paid annually by a public water system pursuant to this section shall not exceed the following:

Type of public water system	Fee
15- 24 service connections .....	\$250
25- 99 service connections .....	\$400
100-499 service connections .....	\$500
500-999 service connections .....	\$700
Noncommunity water systems pursuant to paragraph (1) of subdivision (j) of Section 116275 .....	\$350
Noncommunity water systems exempted pursuant to Section 116282 .....	\$100

(c) For purposes of determining the fees provided for in subdivision (a), the department shall maintain a record of its actual costs for pursuing the activities specified in subdivision (a) relative to each system required to pay the fees. The fee charged each system shall reflect the department's actual cost, or in the case of a local primacy agency the local primacy agency's actual cost, of conducting the specified activities.

(d) The department shall submit an invoice for cost reimbursement for the activities specified in subdivision (a) to the public water systems no more than twice a year.

(1) The department shall submit one estimated cost invoice to public water systems serving 1,000 or more service connections and any public water system that treats water on behalf of one or more public water systems for the purpose of rendering it safe for human consumption. This invoice shall include the actual hours expended during the first six months of the fiscal year. The hourly cost rate used to determine the amount of the estimated cost invoice shall be the rate for the previous fiscal year.

(2) The department shall submit a final invoice to the public water system prior to October 1 following the fiscal year that the costs were incurred. The invoice shall indicate the total hours expended during the fiscal year, the reasons for the expenditure, the hourly cost rate of the department for the fiscal year, the estimated cost invoice, and payments received. The amount of the final invoice shall be determined using the total hours expended during the fiscal year and the actual hourly cost rate of the department for the fiscal year. The payment of the estimated invoice, exclusive of late penalty, if any, shall be credited toward the final invoice amount.

(3) Payment of the invoice issued pursuant to paragraphs (1) and (2) shall be made within 90 days of the date of the invoice. Failure to pay the amount of the invoice within 90 days shall result in a 10-percent late penalty that shall be paid in addition to the invoiced amount.

(e) Any public water system under the jurisdiction of a local primacy agency shall pay the fees specified in this section to the local primacy agency in lieu of the department. This section shall not preclude a local health officer from imposing additional fees pursuant to Section 101325.

## B. Michigan

*Source: STATE OF MICHIGAN, Safe Drinking Water Act, ACT 399, P.A. 1976, as amended*

### **325.1011a Community supply annual fees; payment procedures; penalties.**

Sec. 11A. (1) The department shall impose an annual fee on each community supply provider in accordance with the following fee schedule:

<u>Number of residents served</u>	<u>Annual fee</u>
More than 500,000	\$83,800.00
100,001 - 500,000	\$17,400.00
50,001 - 100,000	\$11,000.00
25,001 - 50,000	\$6,500.00
10,001 - 25,000	\$3,500.00
5,001 - 10,000	\$1,900.00
1,001 - 5,000	\$800.00
401 - 1000	\$500.00
101 - 400	\$400.00
25 - 100	\$250.00

(2) The annual fee in this section shall be adjusted on October 1 each year following the effective date of this section by applying a percentage adjustment using the Detroit consumer price index. The fee may also be adjusted as the result of increased federal funding or a reduction in actual costs, as determined by the department.

(3) Each community supply provider shall pay the annual fee by November 30 each year. Failure to submit timely payment will result in assessment of a penalty of 9% per anum until the fee and assessment are paid in full. The department of treasury shall collect each penalty.

### **325.1011b Noncommunity supply annual fees; payment procedures; penalties.**

Sec. 11b. (1) The department shall impose an annual fee on each noncommunity supply provider in accordance with the following fee schedule:



<u>Type of Noncommunity Supply</u>	<u>Annual Fee</u>
Nontransient noncommunity water supply	\$360.00
Transient noncommunity supply	\$85.00

(2) The annual fee in this section shall be adjusted on October 1 each year following the effective date of this section by applying the percentage adjustment using the Detroit consumer price index.

(3) For 5 or more noncommunity supplies under the same ownership on contiguous properties, the annual fee per noncommunity supply is 75% of the fee identified in subsection (1).

(4) A noncommunity supply provider shall pay the annual fee by November 30 each year. After November 30 of each year that a fee is not paid, the department of treasury shall collect from the nonpaying noncommunity supply provider a penalty of \$25.00 for each month or portion of a month.

(5) A noncommunity supply provider that has completed construction of a new well or replacement well in compliance with a construction permit issued by a local health department is exempt from paying the first annual fee described in subsection (1) after final approval of the well is received.

(6) The department is not required to perform sanitary surveys or other services to maintain compliance with this act on behalf of a noncommunity supply provider who has not paid the current annual fee or appropriate penalties.

## C. Minnesota

*Source: Minnesota Statutes – Chapter 144 of Health Code.*

### **144.3831 Fees.**

Subdivision 1. **Fee setting.** The commissioner of health may assess an annual fee of \$5.21 for every service connection to a public water supply that is owned or operated by a home rule charter city, a statutory city, a city of the first class, or a town. The commissioner of health may also assess an annual fee for every service connection served by a water user district defined in section [110A.02](#).

Subd. 2. **Collection and payment of fee.** The public water supply described in subdivision 1 shall:

(1) collect the fees assessed on its service connections;

(2) pay the department of revenue an amount equivalent to the fees based on the total number of service connections. The service connections for each public water supply described in subdivision 1 shall be verified every four years by the department of health; and

(3) pay one-fourth of the total yearly fee to the department of revenue each calendar quarter. The first quarterly payment is due on or before September 30, 1992. In lieu of quarterly payments, a public water supply described in subdivision 1 with fewer than 50 service connections may make a single annual payment by June 30 each year, starting in 1993. The fees payable to the department of revenue shall be deposited in the state treasury as nondedicated state government special revenue fund revenues.

Subd. 3. **Late fee.** The public water supply described in subdivision 1 shall pay a late fee in the amount of five percent of the amount of the fees due from the public water supply if the fees due from the public water supply are not paid within 30 days of the payment dates in subdivision 2, clause (3). The late fee that the public water supply shall pay shall be assessed only on the actual amount collected by the public water supply through fees on service connections.

HI ST: 1992 c 513 art 6 s 3; 1Sp1993 c 1 art 9 s 21; 1995 c 186 s 42

## D. OHIO

*Source: Revised Code of Ohio. Title 37 (Health, Safety and Morals), Chapter 45 (Environmental Protection Agency)*

3745.11

(M) Through June 30, 2002, a person applying for a license or license renewal to operate a public water system under section [6109.21](#) of the Revised Code shall pay the appropriate fee established under this division at the time of application to the director. Any person who fails to pay the fee at that time shall pay an additional amount that equals ten per cent of the required fee. The director shall transmit all moneys collected under this division to the treasurer of state for deposit into the drinking water protection fund created in section [6109.30](#) of the Revised Code.

Fees required under this division shall be calculated and paid in accordance with the following schedule:

(1) For the initial license required under division (A)(1) of section [6109.21](#) of the Revised Code for any public water system that is a community water system as defined in section [6109.01](#) of the Revised Code, and for each license renewal required for such a system prior to January 31, 2002, the fee is:

Number of service connections	Fee amount
Not more than 49	\$56
50 to 99	\$88

Number of connections	Per-connection Fee
100 to 2,499	\$ .96
2,500 to 4,999	.92
5,000 to 7,499	.88
7,500 to 9,999	.84
10,000 to 14,999	.80
15,000 to 24,999	.76
25,000 to 49,999	.72
50,000 to 99,999	.68
100,000 to 149,999	.64
150,000 to 199,999	.60
200,000 or more	.56

A public water system may determine how it will pay the total amount of the fee calculated under division (M)(1) of this section, including the assessment of additional user fees that may be assessed on a volumetric basis.

As used in division (M)(1) of this section, "service connection" means the number of active or inactive pipes, goosenecks, pigtails, and any other fittings connecting a water main to any building outlet.

(2) For the initial license required under division (A)(2) of section [6109.21](#) of the Revised Code for any public water system that is not a community water system and serves a nontransient population, and for each license renewal required for such a system prior to January 31, 2002, the fee is:

Population served	Fee amount
Fewer than 150	\$56
150 to 299	88
300 to 749	192
750 to 1,499	392
1,500 to 2,999	792
3,000 to 7,499	1,760
7,500 to 14,999	3,800
15,000 to 22,499	6,240
22,500 to 29,999	8,576
30,000 or more	11,600

As used in division (M)(2) of this section, "population served" means the total number of individuals receiving water from the water supply during a twenty-four-hour period for at least sixty days during any calendar year. In the absence of a specific population count, that number shall be calculated at the rate of three individuals per service connection.

(3) For the initial license required under division (A)(3) of section [6109.21](#) of the Revised Code for any public water system that is not a community water system and serves a transient population, and for each license renewal required for such a system prior to January 31, 2002, the fee is:

Number of wells supplying system	Fee amount
1	\$ 56
2	56
3	88
4	192
5	392

System supplied by surface water, springs, or dug wells	792
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As used in division (M)(3) of this section, "number of wells supplying system" means those wells that are physically connected to the plumbing system serving the public water system.

## E. Louisiana

*Source: Revised State Revised Statute, Chapter 40:31.33.*

### §31.33. Safe drinking water administration fee

A. In order to comply with the provisions of R.S. 40:5.6 and the federal Safe Drinking Water Act, the department shall charge an annual fee of three dollars and twenty cents per service connection for community systems. The fee shall be collected from each consumer by the community system provider and remitted to the department, minus thirty-two cents per service connection to be retained by the community system provider for administrative costs for the collection of such fee.

B. In order to comply with the provisions of R.S. 40:5.6 and the federal Safe Drinking Water Act, the department shall charge an annual fee of one hundred dollars for noncommunity systems.

Acts 2000, 1st Ex. Sess., No. 125, § 1, eff. July 1, 2000.