

GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2009

Legislative Fiscal Note

BILL NUMBER: House Bill 1151 (Second Edition)

SHORT TITLE: Res. Lead-Based Paint Hazards/Renovations.

SPONSOR(S): Representatives Earle, Farmer-Butterfield, England, and Rapp

FISCAL IMPACT					
	Yes ()	No ()	No Estimate Available ()		
	<u>FY 2009-10</u>	<u>FY 2010-11</u>	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>
REVENUES	\$248,750	\$549,200	\$549,200	\$549,200	\$549,200
EXPENDITURES	\$248,750	\$549,200	\$549,200	\$549,200	\$549,200
POSITIONS (cumulative):	6				
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Department Health & Human Services, Division of Public Health					
EFFECTIVE DATE: January 1, 2010					

BILL SUMMARY:

TO ESTABLISH REQUIREMENTS FOR REGISTRATION AND CERTIFICATION OF PERSONS PERFORMING LEAD-BASED PAINT RENOVATION WORK IN CERTAIN RESIDENTIAL HOUSING AND CHILD-OCCUPIED FACILITIES; AND TO REQUIRE ACCREDITATION OF RENOVATION TRAINERS AND RENOVATION TRAINING COURSES.

As of July 15, 2009, the House committee substitute, now:

- Requires certification of individuals performing renovation activities for compensation throughout proposed Article 19B of GS Chapter 130A,
- Substitutes "Certification and Accreditation of Lead-Based Paint Renovation Activities" for "Registration, Certification, and Accreditation of Lead-Based Paint Renovation Activities").
- Makes other conforming changes where applicable, including to the title.
- Makes clarifying changes in proposed GS 130A-453.12 to the definitions of certified dust sampling technician and certified renovator.
- Specifies in the definition of trained renovation worker that the individual receives on-the-job training and direction pertaining to the individual's assigned tasks in renovation work

in target housing or child-occupied facilities from a certified renovator and is employed by a certified renovation firm.

- Adds definitions for target housing and renovation activities.
- Deletes definition of visual inspection for cleaning verification.
- Deletes in proposed GS 130A-453.13 that lead-based paint is presumed to be present in housing and child-occupied facilities covered by this Article. Makes organizational changes.
- Clarifies in proposed GS 130A-453.14 that the statute's provisions apply to renovation activities for compensation in targeted housing or child-occupied facilities.
- Provides that, for the purposes of this Article, risk assessor and lead-based paint inspector have the same meaning as provided in Article 19A of GS Chapter 130A.
- Specifies that rules adopted by the Commission for Public Health (Commission) are to include requirements for the payment of fees pursuant to GS 130A-453.17 (was, applicable fees).
- Requires in proposed GS 130A-453.15 that certification as a renovation firm and as a dust sampling technician must be renewed annually.
- Provides that a certified renovator must renew certification every five years by meeting the standards for renewal established by the Commission (was, a registered renovator may renew by taking refresher courses and meeting additional standards for renewal established by the Commission).
- Adds in proposed GS 130A-453.16 that training providers and training courses accredited by the US Environmental Protection Agency are granted reciprocity, but providers and courses must be registered with the Department of Health and Human Services (DHHS) and comply with this Article.
- Deletes in proposed GS 130A-453.17 that the certification fees imposed under the statute do not apply to local or state governmental regulatory agency personnel. Also deletes fee for registration or re-registration of a renovator.
- Amends GS 130A-22(b3) to provide that the Secretary of DHHS may impose an administrative penalty on a person who violates Article 19B of GS 130A or any rules adopted pursuant to Article 19B.
- Provides that each day of a continuing violation is a separate violation. Prohibits the penalty from exceeding \$750 for each day the violation of Article 19B continues.

ASSUMPTIONS AND METHODOLOGY:

This proposed legislation is in response to regulations and proposed rules issued by the federal Environmental Protection Agency. Those federal rules established fees that will be charged to States without authorized programs, for training programs seeking accreditation under 40 CFR 745.225, for firms engaged in renovations seeking certification under 40 CFR 745.89, and for individuals of firms engaged in lead-based paint activities under 40 CFR 745.226.

U.S. Environmental Protection Agency (EPA) began enforcing this lead-based paint regulation in states without authorized programs in April, 2009, with full implementation in April of 2010. If North Carolina does not have a program that can be authorized by EPA in place, then EPA will regulate in North Carolina. If EPA operates the program instead of North Carolina, EPA will

collect and use the fees and EPA will likely reduce funding for the existing lead-based paint abatement program.

HB 1151 seeks to establish such a program in compliance with EPA regulations. If HB 1151 is enacted, the program will establish requirements for training and certification of individuals and firms, work practices standards, educational information distribution, and recordkeeping requirements for renovation, repair and painting of pre-1978 housing and child-occupied facilities. Funding for the program will be completely fee-based.

The intent of the Federal regulation, and the subsequent state program, is to support the goal of eliminating childhood lead poisoning as a major public health concern. Childhood lead poisoning is a preventable disease. Paint that contains lead can pose a health threat through various routes of exposure. House dust is the most common pathway through which children are exposed to lead-based paint hazards. Lead exposure in young children is of concern because children absorb lead more readily than adults. Children's brains and nervous systems are more sensitive to the damaging effects of lead.

This legislation will allow the Division of Public Health, DHHS to:

- provide communication of the risks of lead poisoning
- provide exposure reduction or prevention for these risks through community outreach and
- contractor regulation.

The fees proposed in this legislation will fund a program that is designed to minimize the creation of lead-based paint hazards and to promote the effective clean-up of lead-based paint hazards created during renovation, remodeling, and painting activities.

The fees are to be used to initially establish three new positions in the Division of Public Health. The new staff is to

- offer consultation services to businesses regulated by the federal Toxic Substance Control Act,
- provide outreach and education,
- inspect projects,
- audit the required training courses and
- provide administrative support.

As the program matures its anticipated that up to three additional positions will be needed to maintain an effective program. Fees will also support program operational expenses. The fees proposed in the legislation are in line with the proposed fees that EPA references in the August 21, 2008 proposed rule.

The following are table projects the anticipated fee structure and revenue:

**Lead-Based Paint Hazard Management Program for Renovation, Repair and Painting
Projected Program Revenue**

		SFY 09-10		SFY 10-11		SFY 11-12	
	Fee	Estimated # Collections	Revenue	Estimated # Collections	Revenue	Estimated # Collections	Revenue
Certification / Recertification Renovation Firm	\$300	750	\$225,000	1700	\$510,000	1700	\$510,000
Certification / Recertification Dust Sampling Technician	\$150	20	\$3,000	40	\$6,000	40	\$6,000
Accreditation / Reaccreditation of Training Provider	\$150	5	\$750	8	\$1,200	8	\$1,200
Accreditation / Reaccreditation of Initial Training Course	\$2,000	5	\$10,000	8	\$16,000	8	\$16,000
Accreditation / Reaccreditation of Refresher Training Course	\$2,000	5	\$10,000	8	\$16,000	8	\$16,000
Amount Collected			\$248,750		\$549,200		\$549,200

Note: - Non-Profit Training providers do not pay fees and are not included in this table

The proposed budget for the program is as follows:

**Lead-Based Paint Hazard Management Program for Renovation, Repair
and Painting Projected Program Budget**

Account Title	Fiscal Year 09 – 10	Fiscal Year 10 – 11	Fiscal Year 11 - 12
Salaries			
Industrial Hygiene Consultant--Supervisor			
Industrial Hygiene Consultant			
Administrative Assistant 1	\$167,190		
Industrial Hygiene Inspector (2)			
Asbestos Technical Trainer		\$365,425	\$365,425
Social Security	\$12,790	\$27,955	\$27,955
Retirement	\$14,462	\$31,609	\$31,609
Medical Insurance	\$13,581	\$27,162	\$27,162
Employee Physicals	\$1,000	\$3,000	\$3,000
Rent- office space	\$10,000	\$20,000	\$20,000
Motor Fleet	\$2,000	\$7,500	\$7,500
Transportation - in state	\$500	\$2,000	\$2,000
Transportation - out of state	\$500	\$1,500	\$1,500
Lodging - in state	\$1,000	\$3,000	\$3,000
Lodging - out of state	\$500	\$1,500	\$1,500
Meals - in state	\$500	\$1,500	\$1,500
Meals – out of state	\$500	\$1,500	\$1,500
Telephone service	\$1,500	\$4,000	\$4,000
Postage and delivery	\$5,000	\$7,000	\$7,000
Printing	\$6,227	\$12,049	\$12,049
Training Course Registration	\$1,500	\$4,500	\$4,500
Office Supplies	\$1,500	\$4,000	\$4,000
Scientific Supplies	\$1,000	\$3,000	\$3,000
Office Furniture	\$4,000	\$11,000	\$11,000
Computers	\$2,500	\$6,000	\$6,000
Computer Software	\$1,000	\$4,000	\$4,000
Total	\$248,750	\$549,200	\$549,200

SOURCES OF DATA:

Department of Health and Human Service, Division of Public Health

TECHNICAL CONSIDERATIONS: None

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DATE: July 22, 2009



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