



HF 580 – Water Treatment Consumer Fraud (LSB2228HV)
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Fiscal Note Version – New
Requested by Representative Chip Baltimore

Description

House File 580 permits water treatment systems to be sold in Iowa without being registered with the Department of Public Health (**DPH**). The certification requirement for these systems that make health-related claims is maintained. The certifying agency is required to be accredited by the American National Standards Institute (**ANSI**). The water treatment system is required to meet the performance testing requirements of the National Sanitation Foundation (**NSF**) and the ANSI. Under the Bill, the DPH will no longer certify the testing agency nor will it compile a consumer information pamphlet. The Bill takes effect July 1, 2016 (FY 2017).

Background

The DPH currently imposes and collects a fee for the water treatment system registration program. Device registration begins July 1 of each year. Approximately 80.0% of the fees are received in the last quarter of the fiscal year.

The renewal activity for FY 2016 is now occurring with corresponding expenses that will be recovered with fees collected in the last quarter of FY 2015.

Under current law, the DPH collects approximately \$130,000 in fees for this activity that supports 1.2 FTE positions.

Assumptions

The effective date of July 1, 2016, results in no program work in FY 2016 and no renewal fees collected in FY 2016. The budget will be eliminated in FY 2016. The FTE positions will be reallocated to other programs within the DPH.

If a new water treatment system is introduced into the market in FY 2016, there will be program activity. A fee will be assessed to recoup the costs.

Fiscal Impact

House File 580 will reduce receipts to the DPH by approximately \$130,000 annually beginning in FY 2016.

Source

Department of Public Health

/s/ Holly M. Lyons

March 16, 2015