

**NORTH CAROLINA GENERAL ASSEMBLY
LEGISLATIVE FISCAL NOTE**

BILL NUMBER: SB 1305 (First Edition)
SHORT TITLE: Childhood Lead Exposure Amendments
SPONSOR(S): Senator Odom

FISCAL IMPACT					
	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 1998-99</u>	<u>FY 1999-00</u>	<u>FY 2000-01</u>	<u>FY 2001-02</u>	<u>FY 2002-03</u>
REVENUES					
Departmental receipts from certificates of compliance	\$4,000	\$6,000	\$8,000	\$10,000	\$10,000
EXPENDITURES					
Travel related to annual monitoring inspections	\$1,950	\$3,900	\$5,850	\$7,800	\$7,800
Relocation & medical expenses of children with lead poisoning	\$2,050	\$2,100	\$2,150	\$2,220	\$ 2,220
Total	<u>\$4,000</u>	<u>\$6,000</u>	<u>\$8,000</u>	<u>\$10,000</u>	<u>\$10,000</u>
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Department of Environment and Natural Resources, Division of Environmental Health; Local Health Departments					
EFFECTIVE DATE: October 1, 1998.					

BILL SUMMARY: This bill amends the current statute (GS Chapter 130A, Article 5, Part 4) regarding the prevention and control of lead poisoning in children. There are seven primary changes to the statute: 1) the repeal of the Commission for Health Services' responsibility to adopt rules for the prevention and control of lead poisoning in children; 2) the addition of a confidentiality section, which requires that all medical information concerning children with elevated blood lead levels collected by the Department of Environment and Natural Resources be kept confidential except in certain circumstances outlined in the bill; 3) an amendment to the definition of a 'lead poisoning hazard' which reduces allowable levels of lead-bearing substances in dust on floors and windowsills; 4) an amendment which states that compliance with the maintenance standard satisfies the remediation plan requirements in owner-occupied residences for lead poisoning cases identified on or after January 1, 1997, as long as exterior surfaces are

also addressed; 5) an amendment which limits the liability of owners of residential housing units by requiring that the steps in the maintenance standard are repeated annually when a child under age six has resided in or regularly visited the residence within the past year; 6) an amendment which requires liability insurers to provide insurance coverage for injuries resulting from lead exposure; and 7) the addition of a section which directs the Department to charge an application fee not to exceed \$10 for certificates of compliance. Fees collected can be used to support the program and to provide for relocation and medical expenses of children with confirmed lead poisoning.

ASSUMPTIONS AND METHODOLOGY:

Background:

Annually, the Department identifies an average of 200 new cases of childhood lead poisoning with blood lead levels high enough (20 $\mu\text{g}/\text{dL}$) to trigger an investigation of the child's home and supplemental addresses to identify the source of lead exposure. Under current law, if the dwelling is identified as containing a lead hazard, the owner of that dwelling must comply with one of two requirements: 1) lead hazard abatement, which requires the elimination of lead-based paint hazards, or 2) compliance with the maintenance standard, which requires that the deteriorated areas be repaired, repainted and maintained. Compliance with the maintenance standard also requires an annual monitoring inspection by a certified lead inspector or risk assessor so long as children less than 6 years old reside in or regularly visit the dwelling. This bill directs the Department to charge an application fee up to \$10 for certificates of compliance. The Department will collect this fee for the initial inspection and each year the annual monitoring inspection is conducted.

This bill also clarifies that the option of compliance with the maintenance standard in lieu of permanent abatement applies only to those dwellings identified on or after January 1, 1997. The Department estimates that nearly 100 percent of these new cases will choose to comply with the maintenance standard and pay the \$10 application fee rather than comply with more expensive option of lead hazard abatement. Since the maintenance standard requires annual monitoring, the number of dwellings inspected annually is cumulative. Since the average age of a child identified with lead poisoning is 2 years old, the Department estimates that each new case identified will continue to remain open for approximately 4 years or until the child "ages out" of the program by turning 6 years old.

The revenue and expenditure estimates presented in this fiscal note are based on a maximum number of annual monitoring inspections and thus represent the upper limit on the amount of revenues to be collected and costs expended. The Department does not expect that all new cases will require annual reinspections due to a number of factors: 1) children will "age out" of the program sooner than 4 years, 2) blood lead levels will drop below the "poisoning" threshold (20 $\mu\text{g}/\text{dL}$), and 3) some owners may choose abatement over the maintenance standard to avoid the hassle of the annual reinspections. However, since the maintenance standard is a relatively new option, the Department has no historical data to help better estimate the number of dwellings which will require an annual monitoring inspection.

Revenues:

The amount of revenue generated from the \$10 application fee is based on the number of dwellings requiring an initial inspection and the number of dwellings requiring annual monitoring inspections. Based on the assumptions listed on the previous page, the Department estimates that it will have 200 new cases of lead poisoning requiring an initial inspection in 1998, as well as 200 “old” cases from 1997 requiring annual reinspection for a total of 400 cases. Over the next 4 years, the number of dwellings requiring reinspections will continue to accumulate up to a maximum of 800 dwellings, at which point the children in the initial group of cases will begin to age out of the program. In subsequent years, the total number of cases requiring inspections (initial or annual) will remain at or less than 1,000. Eventually, the number of inspections will begin to decrease as lead-based paint hazards are reduced due to compliance with the maintenance standard and abatement efforts.

FY 1998 - 99	200 new cases	X	\$10 application fee =	\$ 2,000
	<u>200 reinspections</u>	X	\$10 application fee =	<u>\$ 2,000</u>
	400 total cases			\$ 4,000
FY 1999 - 00	200 new cases	X	\$10 application fee =	\$ 2,000
	<u>400 reinspections</u>	X	\$10 application fee =	<u>\$ 4,000</u>
	600 total cases			\$ 6,000
FY 2000 - 01	200 new cases	X	\$10 application fee =	\$ 2,000
	<u>600 reinspections</u>	X	\$10 application fee =	<u>\$ 6,000</u>
	800 total cases			\$ 8,000
FY 2001- 02	200 new cases	X	\$10 application fee =	\$ 2,000
	<u>800 reinspections</u>	X	\$10 application fee =	<u>\$ 8,000</u>
	1000 total cases			\$10,000
FY 2002-03	200 new cases	X	\$10 application fee =	\$ 2,000
	<u>800 reinspections</u> *	X	\$10 application fee =	<u>\$ 8,000</u>
	1,000 total cases			\$10,000

* No net change from previous year due to children aging out.

Expenditures:

According to the Department, no new positions are necessary to conduct the annual monitoring inspections required of the maintenance standard; however, these reinspections will impact the costs of the childhood lead prevention programs of the local health departments. Local environmental health specialists, who have been trained and certified as lead inspectors or risk assessors, will be responsible for conducting the annual reinspections. Each reinspection will take approximately 4 hours to complete including travel and related paperwork. The Department estimates each monitoring inspection will require a 30 mile round-trip at \$0.325 per mile. When the number of dwellings requiring annual reinspection reaches the maximum number of 800, each of the local health departments (86 total) will have approximately 10 additional dwellings to reinspect annually. The Department estimates that the local health departments’ costs of

conducting these annual reinspections is an opportunity cost of environmental health specialists not being able to complete other inspections, such as food and lodging inspections. Thus, mileage is the only net expenditure associated with the annual monitoring inspection.

FY 1998 - 99	200 cases	X	(30 miles round-trip	X	\$0.325/per mile)	=	\$ 1,950
FY 1999 - 00	400 cases	X	(30 miles round-trip	X	\$0.325/per mile)	=	\$ 3,900
FY 2000 - 01	600 cases	X	(30 miles round-trip	X	\$0.325/per mile)	=	\$ 5,850
FY 2001- 02	800 cases	X	(30 miles round-trip	X	\$0.325/per mile)	=	\$ 7,800
FY 2002 - 03	800 cases	X	(30 miles round-trip	X	\$0.325/per mile)	=	\$ 7,800

In addition to directing the Department to use receipts collected from the application fee to support program expenditures, this bill also allows the Department to use some of these receipts to pay for relocation and medical expenses of children with confirmed lead poisoning. Based on conversations with Ed Norman, Program Supervisor of the Children's Environmental Health Branch, the Department would like to use a portion of the receipts collected to develop a fund to support families in need of financial assistance with medical or relocation expenses. The need for this type of financial assistance is based on past requests made to local health departments and the experience of Maryland which has a childhood lead prevention program similar to North Carolina.

TECHNICAL CONSIDERATIONS: none

FISCAL RESEARCH DIVISION

733-4910

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