

Office of Regulatory Management
Economic Review Form

Agency name	Virginia Department of Health
Virginia Administrative Code (VAC) Chapter citation(s)	12 VAC 5-613
VAC Chapter title(s)	Regulations for Alternative Onsite Sewage Systems
Action title	Periodic Review
Date this document prepared	November 13, 2023
Regulatory Stage (including Issuance of Guidance Documents)	Periodic Review

Impact on Local Partners

Table 2: Impact on Local Partners

<p>(1) Direct & Indirect Costs & Benefits (Monetized)</p>	<p>• Direct Monetized Costs: The regulations are standards for the installation, operation, maintenance, inspection, and performance requirements for alternative onsite sewage systems (AOSSs). In addition, the regulations include what actions amount to violations of the regulations and enforcement authority.</p> <p>The primary direct monetary costs to local partners are comprised of an annual inspection of AOSSs by a licensed alternative onsite sewage system operator. The average annual cost for operation and maintenance of an AOSS is approximately \$300 to \$800.</p> <p>AOSSs costs can vary from several thousands of dollars to \$75,000 for larger commercial size systems.</p> <p>In addition, one time permit application fees range from \$225 to \$1,400.</p> <p>Lastly, the regulations include provisions for penalties for violation of the regulations. Such violations may result in civil monetary penalties. Civil penalties vary from \$100 for the initial violation but not more than \$150 for each additional violation. The total of such violations shall not exceed \$3,000.</p> <p>• Direct Monetized Benefits: There are no direct monetized benefits for local partners.</p>
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	<p>•Indirect Monetized Costs: There are no indirect monetized costs for local partners.</p> <p>•Indirect Monetized Benefits: There are no indirect monetized benefits for local partners.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) \$100-75,000	(b) \$0
(3) Other Costs & Benefits (Non-Monetized)	<p>• Non-Monetized Costs: There are no non-monetized costs associated with the regulations for local partners.</p> <p>• Non-Monetized Benefits: The non-monetized benefits to local partners associated with this regulation include general benefits from environmental protections to surface water, groundwater, and natural resources afforded by the regulations.</p> <p>In addition, local partners benefit from this regulation via business and service expansion. AOSSs are typically utilized when site and soil conditions (poor soil absorption, limited site area, etc.) are limiting for a conventional onsite sewage system (COSS) or if certain conditions such as the necessity to reduce organic load or pathogens due to site location (near certain open waters). The ability to utilize AOSSs would allow local partners to develop on land previously deemed unusable due to lack of access to public sewage systems, soil conditions or land size.</p>	
(4) Assistance	<p>§ 58.1-3660 of the Code of Virginia allows for a tax exemption for the owner and/or operator of a water pollution control equipment. To date, two individuals have obtain the tax exemption.</p>	
(5) Information Sources	<p>Bureau of Labor Statistics CPI Inflation Calculator: https://data.bls.gov/cgi-bin/cpicalc.pl</p>	

Impacts on Families

Table 3: Impact on Families

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>• Direct Monetized Costs: The regulations contain standards for the installation, operation, maintenance, inspection, and performance requirements of AOSS. In addition, the regulations include what actions amount to violations of the regulations and enforcement authority.</p>
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	<p>The primary direct monetary costs to families are comprised of an annual inspection of AOSS by a properly licensed alternative onsite sewage system operator. The average annual costs for the operation and maintenance of an AOSS is \$300 to \$800. AOSSs costs can vary from several thousands of dollars to \$75,000 for larger commercial size systems.</p> <p>In addition, one time permit application fees range from \$225 to \$1,400.</p> <p>Lastly, the regulations include provisions for penalties for violation of the regulations. Such violations may result in civil monetary penalties. Civil penalties vary from \$100 for the initial violation but not more than \$150 for each additional violation. The total of such violations shall not exceed \$3,000.</p> <ul style="list-style-type: none"> • Direct Monetized Benefits: There are no direct monetized benefits for families. • Indirect Monetized Costs: There are no indirect monetized costs for families. • Indirect Monetized Benefits: There are no indirect monetized benefits for families. 	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) \$225-\$75,000	(b) \$0
(3) Other Costs & Benefits (Non-Monetized)	<ul style="list-style-type: none"> • Non-Monetized Costs: There are no non-monetized costs associated with the regulations for local partners. • Non-Monetized Benefits: The non-monetized benefits to families associated with this regulation include general benefits from environmental protections to surface water, ground water, and natural resources afforded by the regulations. <p>In addition, families benefit from this regulation via the increase in residential construction options. In 2020, the Joint Legislative Audit and Review Commission directed staff to conduct a review of affordable housing in Virginia. In summary, the study found Virginia has a shortage of at least 200,000 affordable rental units(residential style housing). As previously stated, AOSSs allow for construction on land where access to public sewage was not available or sites were not suitable for COSSs.</p>	

(4) Information Sources	Joint Legislative Audit & Review Commission: https://jlarc.virginia.gov/landing-2021-affordable-housing-in-virginia.asp
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Impacts on Small Businesses

Table 4: Impact on Small Businesses

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>•Direct Monetized Costs: Small businesses governed by the regulations include AOSS installers, operators which perform maintenance, professional engineers, alternative onsite soil evaluators, and general contractors. It does not appear to be any direct monetized costs for small businesses governed by the regulation as those costs are passed to their customers.</p> <p>The primary direct monetary costs to small businesses that utilize AOSSs are comprised of an annual inspection of AOSS by a properly licensed alternative onsite sewage system operator. The average annual costs for the operation and maintenance of an AOSS is \$300 to \$800. AOSSs costs can vary from several thousands of dollars to \$75,000 for larger commercial size systems.</p> <p>In addition, one time permit application fees range from \$225 to \$1,400.</p> <p>Lastly, the regulations include provisions for penalties for violation of the regulations. Such violations may result in civil monetary penalties. Civil penalties vary from \$100 for the initial violation but not more than \$150 for each additional violation. The total of such violations shall not exceed \$3,000.</p> <p>•Direct Monetized Benefits: Direct benefits for small businesses governed by the regulations include the potential reduction in overhead and costs as the regulations allow for a variety of AOSSs types of which licensed professionals may utilize and an increase in work opportunities as the design, installation, and operation and maintenance of such systems is a regulated activity.</p> <p>•Indirect Monetized Costs: There are no indirect monetized costs for small businesses.</p> <p>•Indirect Monetized Benefits: There are no indirect monetized benefits for small businesses.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) \$225-\$75,000	(b) \$0

(3) Other Costs & Benefits (Non-Monetized)	<p>Non-Monetized Costs: There are no non-monetized costs associated with the regulations for small businesses.</p> <p>Non-Monetized Benefits: Small businesses especially those that involve tourism, aquaculture, and recreational water activities have generally benefited from environmental protections to surface water, ground water, and natural resources afforded by the regulations.</p>
(4) Alternatives	<p>One alternative is to retain the regulations ‘as is’; however, the regulations have not undergone revision since 2017 and would benefit from a comprehensive review to evaluate the degree to which technology, economic conditions, and other factors may impact the administration and enforcement of the regulations as well as the regulant population and general public.</p>
(5) Information Sources	