

Office of Regulatory Management  
Economic Review Form

<b>Agency name</b>	State Board of Health
<b>Virginia Administrative Code (VAC) Chapter citation(s)</b>	12 VAC 5 – 620
<b>VAC Chapter title(s)</b>	Regulations Governing Fees for Onsite Sewage Disposal Systems, Alternative Discharging Systems, and Private Wells
<b>Action title</b>	State Budget Addition of Fees for Repairs, Voluntary Upgrades, and Safe, Adequate, and Proper Evaluations.
<b>Date this document prepared</b>	February 13, 2023
<b>Regulatory Stage (including Issuance of Guidance Documents)</b>	Fast Track Action

**Cost Benefit Analysis**

Complete Tables 1a and 1b for all regulatory actions. You do not need to complete Table 1c if the regulatory action is required by state statute or federal statute or regulation and leaves no discretion in its implementation.

Table 1a should provide analysis for the regulatory approach you are taking. Table 1b should provide analysis for the approach of leaving the current regulations intact (i.e., no further change is implemented). Table 1c should provide analysis for at least one alternative approach. You should not limit yourself to one alternative, however, and can add additional charts as needed.

Report both direct and indirect costs and benefits that can be monetized in Boxes 1 and 2. Report direct and indirect costs and benefits that cannot be monetized in Box 4. See the ORM Regulatory Economic Analysis Manual for additional guidance.

**Table 1a: Costs and Benefits of the Proposed Changes (Primary Option)**

<p>(1) Direct &amp; Indirect Costs &amp; Benefits (Monetized)</p>	<ul style="list-style-type: none"> <li> <p>• <b>The regulatory action will amend Establishing Fees (12VAC5-620-70). Adding fees for Repair Permits, Voluntary Upgrades, and Safe, Adequate, and Proper Evaluations pursuant to the Item 292, Chapter 2, of the 2018 Acts of Assembly, Special Session I (The Appropriation Act). Also includes stylistic changes consistent with the Register Style Manual.</b></p> <p>Monetized Costs: There are no monetized costs associated with this change, as the fees are already being collected pursuant to the Appropriation Act.</p> <p>Monetized Benefits: There are no monetized benefits associated with this change.</p> </li> <li> <p>• <b>The regulatory action will amend Waiver of Fees (12VAC5-620-80). Updates the reference to the federal poverty guidelines and includes a fee waiver for owners whose income is at or below 200 percent of the federal poverty guidelines for Repair Permits. Removes the blanket fee waiver for all Repair Permits. Removes duplicative language regarding fee waivers for replacement wells. Also includes stylistic changes consistent with the Register Style Manual.</b></p> <p>Monetized Costs: There are no monetized costs associate with this change.</p> <p>Monetized Benefits: There are no direct monetized benefits associated with this change, as this fee waiver is already in effect pursuant to the Appropriation Act.</p> </li> <li> <p>• <b>The regulatory action will amend Refund of Application Fee (12VAC5-620-90). Adds Repair Permits, Voluntary Upgrades, and Safe, Adequate, and Proper Evaluations to the list of applications eligible for a refund when the application is denied and the owner uses the building as a principle place of residence. Adds Repair Permits, Voluntary Upgrades, and Safe, Adequate, and Proper Evaluations to the list of applications eligible for a refund when the application is withdrawn. Also includes stylistic changes consistent with the Register Style Manual.</b></p> <p>Monetized Costs: The cost to the agency due to refunded fees is being counted as a benefit to the property owners and can be absorbed by VDH without adverse impact.</p> </li> </ul>
---	---

	<p>Monetized Benefits: The property owners seeking a permit withdrawal will have a direct monetized benefit of approximately \$14,850 per year from providing refunds for withdrawals of Repair Permits, Voluntary Upgrades, and Safe, Adequate, and Proper Evaluations. Since July 1, 2019, VDH has averaged 66 permit withdrawals per year for Repair Permits, Voluntary Upgrades, or Safe, Adequate, and Proper Evaluations. Owners that qualify for VDH direct services for Repair Permits typically would also qualify for a fee waiver, and all Voluntary Upgrades require private sector designs. The vast majority of application are for systems less than 1,000 gallons per day; therefore, the majority of application include a \$225 fee that would be refunded for a withdrawal.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) \$55,199 over 4 years.	(b) \$55,199 over 4 years.
(3) Net Monetized Benefit	\$0	
(4) Other Costs & Benefits (Non-Monetized)	<p><b>Non-Monetized Costs:</b> There are no non-monetized costs associated with this regulatory action.</p> <p><b>Non-Monetized Benefits:</b> Individuals will receive a non-monetized benefit from reduce confusion by eliminating inconsistencies between the Appropriation Act and the Regulations.</p>	
(5) Information Sources	Direct cost and benefits were calculated based on permit withdrawals in VDH’s Environmental Health Database and fees collected pursuant to the Appropriation Act.	

**Table 1b: Costs and Benefits under the Status Quo (No change to the regulation)**

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Monetized Costs:</p> <p><b>The changes made to add fees for Repair Permits, Voluntary Upgrades, and Safe, Adequate, and Proper Evaluations in this action are required to conform to the Appropriation Act. The proposed revision to 12VAC5-620-90 to provide a refund for the withdrawal of Repair Permits, Voluntary Upgrades, and Safe, Adequate, and Proper Evaluations is not mandated by the Code of Virginia or the Appropriation Act, but is consistent with refunds provide for other application types.</b></p> <ul style="list-style-type: none"> <li>The “status quo” option would be to not amend the Regulations and continue collection fees pursuant to the Appropriation Act.</li> </ul>
--	--

	<p>The direct monetized costs of maintaining the status quo is property owners may not receive a refund for permit withdrawals.</p> <p><b>The style and form changes are to conform with the <i>Form and Style Requirements for the Virginia Register of Regulations and Virginia Administrative Code</i> and could be considered non-discretionary.</b></p> <ul style="list-style-type: none"> <li>The “status quo” option would be to leave the language in its current style and form, for which there are no associated direct monetized costs or benefits.</li> </ul> <p><b>Other Monetized Costs: There are no indirect monetized cost associated with the “status quo” option listed above. Maintaining the “status quo” would allow VDH to keep approximately \$14,850 per year in proposed permit refunds, which could be considered a cost to the property owners, though they do not currently receive that refund.</b></p> <p><b>Direct Monetized Benefits: Maintaining the “status quo” would allow VDH to keep approximately \$14,850 per year in proposed permit refunds</b></p> <p><b>Indirect Monetized Benefits: There are no indirect monetized benefits associated with the “status quo” option listed above.</b></p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) \$55,199 over 4 years.	(b) \$55,199 over 4 years.
(3) Net Monetized Benefit	\$0	
(4) Other Costs & Benefits (Non-Monetized)	<p><b>Other Non-monetized Cost: Maintaining the “status quo” option could lead to confusion where the Regulations do not align with the non-discretionary requirements of the Appropriation Act.</b></p> <p><b>Other Non-monetized Benefits: There are no other non-monetized benefits of maintaining the “status quo” option.</b></p>	
(5) Information Sources	Direct cost and benefits were calculated based on permit withdrawals in VDH’s Environmental Health Database and fees collected pursuant to the Appropriation Act.	

**Table 1c: Costs and Benefits under Alternative Approach(es)**

<p>(1) Direct &amp; Indirect Costs &amp; Benefits (Monetized)</p>	<p>Direct Monetized Cost and Benefits:  <b>There are no alternative approaches beyond the “status quo” option. The fees for Repair Permits, Voluntary Upgrades, and Safe, Adequate, and Proper Evaluations are not discretionary, are required pursuant to the Appropriation Act, and are already collected by VDH. Likewise, refunds for permit denials for principal place of residence are require by the Code of Virginia. The only alternative to providing the proposed refunds for permit withdrawals is to maintain the “status quo” of no refunds.</b></p> <p><b>The style and form changes are not substantive changes to regulatory requirements associated with the chapter, are non-regulatory, and do not affect the rights or powers of any person or agency. As such, there are no viable alternative approaches to be considered.</b></p> <p>Indirect Monetized Cost: <b>There are no indirect monetized costs associated with the “status quo” option listed above.</b></p> <p>Indirect Monetized Benefits: <b>There are no indirect monetized benefits associated with the “status quo” option listed above.</b></p>	
<p>(2) Present Monetized Values</p>	<p>Direct &amp; Indirect Costs</p>	<p>Direct &amp; Indirect Benefits</p>
	<p>(a) NA</p>	<p>(b) NA</p>
<p>(3) Net Monetized Benefit</p>	<p>NA</p>	
<p>(4) Other Costs &amp; Benefits (Non-Monetized)</p>	<p>NA</p>	
<p>(5) Information Sources</p>	<p>NA</p>	

**Impact on Local Partners**

Use this chart to describe impacts on local partners. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

**Table 2: Impact on Local Partners**

<p>(1) Direct &amp; Indirect Costs &amp; Benefits (Monetized)</p>	<p>• <b>Monetized Costs:</b> There are no direct monetized costs to local partners associated with this regulatory action.</p>
---	--

	<p>• <b>Direct Monetized Benefits:</b> There are no direct monetized benefits to local partners associated with this regulatory action.</p> <p><b>Indirect Monetized Costs:</b> There are no indirect monetized costs to local partners associated with this regulatory action.</p> <p><b>Indirect Monetized Benefits:</b> There are no indirect monetized benefits to local partners associated with this regulatory action.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) \$0	(b) \$0
(3) Other Costs & Benefits (Non-Monetized)		
(4) Assistance		
(5) Information Sources		

**Impacts on Families**

Use this chart to describe impacts on families. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

**Table 3: Impact on Families**

(1) Direct & Indirect Costs & Benefits (Monetized)	<p><b>Direct Monetized Costs:</b> There are no direct monetized costs to families associated with this regulatory action.</p> <p><b>Indirect Monetized Costs:</b> There are no indirect monetized costs to families associated with this regulatory action.</p> <p><b>Direct Monetized Benefits:</b> The direct benefits of this proposed change are property owners will receive refunds for permits withdrawals. Since July 1, 2019, VDH has averaged 66 permit withdrawals per year for Repair Permits, Voluntary Upgrades, or Safe, Adequate, and Proper Evaluations. Families that qualify for VDH direct services for Repair Permits typically would also qualify for a fee waiver, and all Voluntary Upgrades require private sector designs. The vast majority of application are for systems less than 1,000 gallons per day; therefore the majority of application include a \$225 fee that would be refunded for a withdrawal.</p>
--	---

	<p>Refunds for permit denials are already provided pursuant to the Code of Virginia.</p> <p><b>Monetized Benefits:</b> There are no indirect monetized benefits to families associated with this regulatory action.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) \$0	(b) Up to \$1,400 per family per permit withdrawal.
(3) Other Costs & Benefits (Non-Monetized)	Families will benefit from reduce confusion by eliminating inconsistencies between the Appropriation Act and the Regulations.	
(4) Information Sources	Direct cost and benefits were calculated based on permit withdrawals in VDH's Environmental Health Database and fees collected pursuant to the Appropriation Act	

**Impacts on Small Businesses**

Use this chart to describe impacts on small businesses. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

**Table 4: Impact on Small Businesses**

(1) Direct & Indirect Costs & Benefits (Monetized)	<p><b>Direct Monetized Costs:</b> There are no direct monetized costs to small businesses associated with this regulatory action.</p> <p><b>Indirect Monetized Costs:</b> There are no indirect monetized costs to small businesses associated with this regulatory action.</p> <p><b>Direct Monetized Benefits:</b> The direct benefits of this proposed change are small business will receive refunds for permits withdrawals. Since July 1, 2019, VDH has averaged 66 permit withdrawals per year for Repair Permits, Voluntary Upgrades, or Safe, Adequate, and Proper Evaluations. All non-residential applications require private sector designs, which have a fee of \$225 to \$1,400 depending on the proposed sewage flow volume. Refunds for permit denials are already provided pursuant to the Code of Virginia.</p> <p><b>Indirect Monetized Benefits:</b> There are no indirect monetized benefits to families associated with this regulatory action.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) \$0	(b) Up to \$1,400 per small business per permit withdrawal.

(3) Other Costs & Benefits (Non-Monetized)	Small businesses will benefit from reduce confusion by eliminating inconsistencies between the Appropriation Act and the Regulations.
(4) Alternatives	The agency is not exercising any discretion with regard to the substantive provisions of this chapter. The only alternative is to maintain the “status quo” option, which may cost small businesses up to \$1,400 if they choose to withdrawal an application.
(5) Information Sources	Direct cost and benefits were calculated based on permit withdrawals in VDH’s Environmental Health Database and fees collected pursuant to the Appropriation Act.



**Changes to Number of Regulatory Requirements**

*For each individual VAC Chapter amended, repealed, or promulgated by this regulatory action, list (a) the initial requirement count, (b) the count of requirements that this regulatory package is adding, (c) the count of requirements that this regulatory package is reducing, (d) the net change in the number of requirements. This count should be based upon the text as written when this stage was presented for executive branch review. Five rows have been provided, add or delete rows as needed. In the last row, indicate the total number for each column.*

**Table 5: Total Number of Requirements**

	<b>Number of Requirements</b>			
<b>Section number</b>	<b>Initial Count</b>	<b>Additions</b>	<b>Subtractions</b>	<b>Net Change</b>
70	2	7	0	9
80	9	1	1	9
90	6	2	0	8
<b>TOTAL</b>	17	10	1	26