



# Virginia Department of Planning and Budget **Economic Impact Analysis**

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## **12 VAC 5-450 Rules and Regulations Governing Campgrounds** **Virginia Department of Health** **Town Hall Action/Stage: 6160 / 9888** February 3, 2023

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The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with § 2.2-4007.04 of the Code of Virginia (Code) and Executive Order 19. The analysis presented below represents DPB's best estimate of these economic impacts.<sup>1</sup>

### **Summary of the Proposed Amendments to Regulation**

The State Board of Health (Board) proposes to exempt portable hand washing sinks at temporary campgrounds from the requirement in the current regulation that tanks, hoses, or appurtenances used to distribute water be of food-grade construction, disinfected between uses, and protected from contamination and backflow. Additionally, the Board proposes to require that the portable hand washing sinks maintain a one-parts-per million chlorine residual, and display a sign stating, "Hand washing water is not for drinking."

### **Background**

Temporary campgrounds are those associated with temporary events, such as fairs, festivals, or music concerts. These events often do not have permanent infrastructure, and thus basic sanitation needs are met through the use of portable toilets, and often, portable hand washing sinks.<sup>2</sup>

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<sup>1</sup> Code § 2.2-4007.04 requires that such economic impact analyses determine the public benefits and costs of the proposed amendments. Further the analysis should include but not be limited to: (1) the projected number of businesses or other entities to whom the proposed regulatory action would apply, (2) the identity of any localities and types of businesses or other entities particularly affected, (3) the projected number of persons and employment positions to be affected, (4) the projected costs to affected businesses or entities to implement or comply with the regulation, and (5) the impact on the use and value of private property.

<sup>2</sup> Source: Virginia Department of Health

In traditional plumbed settings, hand washing water is considered potable water, and thus is required to meet the standard of water provided for drinking. In the settings of temporary campgrounds, temporary hand washing sinks, when used, provide extra sanitation for campers using portable toilets, but are not used as drinking water fountains.

The current regulation provides that any tanks, hoses, or appurtenances that are used to distribute water shall be of food-grade construction. This requirement extends to any tanks or appurtenances providing water, including those associated with portable hand washing sinks. According to the Virginia Department of Health (VDH), current industry design of the majority of portable hand washing sinks do not meet this requirement through standard materials and design. As a result, the current regulation may discourage the use of portable hand washing sinks, and thus hand washing, at temporary campgrounds.

### **Estimated Benefits and Costs**

By examining the prices of portable sinks in the market, VDH determined that non-food-grade portable hand washing sinks on average cost \$488 less than food-grade portable hand washing sinks. As it is optional to have portable hand washing sinks at temporary campgrounds, lowering the effective cost of providing hand washing stations at temporary events, such as fairs, festivals, or music concerts may increase the likelihood that they are provided. Thus, the proposal to eliminate the requirement that portable hand washing sinks at temporary campgrounds be of food-grade construction may result in more hand washing at events at temporary campgrounds. This may help reduce the spread of communicable diseases.<sup>3</sup>

The current regulation already states that the source water transported to the temporary campground have a one-parts-per-million chlorine residual. That combined with the proposed requirement that the water in the portable hand washing sinks maintain a one-parts-per million chlorine residual should help assure that the water is disinfected to the extent that it is safe for hand washing.<sup>4</sup> Dropper bottles of chlorine can be purchased for \$15 or less.<sup>5</sup> Further, the proposed requirement that there be a sign stating "Hand washing water is not for drinking"

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<sup>3</sup> See U.S. Centers for Disease Control and Prevention article: <https://www.cdc.gov/handwashing/why-handwashing.html>

<sup>4</sup> Source: VDH

<sup>5</sup> Available on Amazon.com as of February 3, 2023.

should help assure that people do not drink the water which may or may not be safe to drink. The cost of such a sign could be minimal if written on say scrap cardboard.

### **Businesses and Other Entities Affected**

The proposed amendments affect temporary campground operators and portable hand washing sink distributors and service providers.<sup>6</sup> VDH reports that there were approximately 45 temporary campground applications processed in calendar year 2021.

The Code of Virginia requires DPB to assess whether an adverse impact may result from the proposed regulation.<sup>7</sup> An adverse impact is indicated if there is any increase in net cost or reduction in net revenue for any entity, even if the benefits exceed the costs for all entities combined. The proposal does not create an adverse impact.

### **Small Businesses<sup>8</sup> Affected:<sup>9</sup>**

The proposed amendments would not adversely affect small businesses.

### **Localities<sup>10</sup> Affected<sup>11</sup>**

The proposed amendments may disproportionately affect localities that tend to host temporary events, such as fairs, festivals, or music concerts. The proposal does not introduce costs to local governments.

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<sup>6</sup> VDH does not have data on the number of temporary campground operators and portable hand washing sink distributors and service providers

<sup>7</sup> Pursuant to Code § 2.2-4007.04(D): In the event this economic impact analysis reveals that the proposed regulation would have an adverse economic impact on businesses or would impose a significant adverse economic impact on a locality, business, or entity particularly affected, the Department of Planning and Budget shall advise the Joint Commission on Administrative Rules, the House Committee on Appropriations, and the Senate Committee on Finance. Statute does not define “adverse impact,” state whether only Virginia entities should be considered, nor indicate whether an adverse impact results from regulatory requirements mandated by legislation.

<sup>8</sup> Pursuant to § 2.2-4007.04 of the Code of Virginia, small business is defined as “a business entity, including its affiliates, that (i) is independently owned and operated and (ii) employs fewer than 500 full-time employees or has gross annual sales of less than \$6 million.”

<sup>9</sup> If the proposed regulatory action may have an adverse effect on small businesses, Code § 2.2-4007.04 requires that such economic impact analyses include: (1) an identification and estimate of the number of small businesses subject to the proposed regulation, (2) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the proposed regulation, including the type of professional skills necessary for preparing required reports and other documents, (3) a statement of the probable effect of the proposed regulation on affected small businesses, and (4) a description of any less intrusive or less costly alternative methods of achieving the purpose of the proposed regulation. Additionally, pursuant to Code § 2.2-4007.1, if there is a finding that a proposed regulation may have an adverse impact on small business, the Joint Commission on Administrative Rules shall be notified.

<sup>10</sup> “Locality” can refer to either local governments or the locations in the Commonwealth where the activities relevant to the regulatory change are most likely to occur.

<sup>11</sup> § 2.2-4007.04 defines “particularly affected” as bearing disproportionate material impact.

**Projected Impact on Employment**

The proposal may moderately increase business for firms that sell or rent non-food-grade portable hand washing sinks, but not likely enough to substantially affect total employment.

**Effects on the Use and Value of Private Property**

The proposal may moderately increase business for firms that sell or rent non-food-grade portable hand washing sinks. Their value may commensurately increase. The proposed amendments do not affect real estate development costs.