Form: TH-04 August 2022



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Fast-Track Regulation Agency Background Document

| Agency name | State Board of Health |
|--------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|
| Virginia Administrative Code (VAC) Chapter citation(s) | 12VAC5-620 |
| VAC Chapter title(s) | Regulations Governing Fees for Onsite Sewage Disposal Systems, Alternative Discharging Systems, and Private Wells |
| Action title | State Budget Addition of Fees for Repairs, Voluntary Upgrades, and Safe, Adequate, and Proper Evaluations |
| Date this document prepared | January 19, 2023 |

This information is required for executive branch review and the Virginia Registrar of Regulations, pursuant to the Virginia Administrative Process Act (APA), Executive Order 19 (2022) (EO 19), any instructions or procedures issued by the Office of Regulatory Management (ORM) or the Department of Planning and Budget (DPB) pursuant to EO 19, the Regulations for Filing and Publishing Agency Regulations (1 VAC 7-10), and the Form and Style Requirements for the Virginia Register of Regulations and Virginia Administrative Code.

Brief Summary

Provide a brief summary (preferably no more than 2 or 3 paragraphs) of this regulatory change (i.e., new regulation, amendments to an existing regulation, or repeal of an existing regulation). Alert the reader to all substantive matters. If applicable, generally describe the existing regulation.

Chapter 831 of the 2018 Acts of Assembly directed VDH to eliminate evaluation and design services provided by the local health departments for onsite sewage systems and private wells. Beginning July 1, 2019, all applicants were required to submit private sector evaluations and designs for onsite sewage systems unless the owner met the means testing requirements established in Chapter 831 (2018) or the hardship guidelines established by VDH. In addition to this legislation, Item 292, Chapter 2 of the 2018 Acts of Assembly, Special Session I (The Appropriation Act) required VDH to begin charging for certain onsite sewage system services previously provided at no cost to the applicant. These additional fees have remained in all subsequent Appropriation Acts.

VDH's current fees for onsite sewage system and private well services are summarized in 12 VAC5-620-70. The fee amendments initially enacted by the 2018 Appropriation Act affect onsite sewage system Repair Permits, Safe Adequate and Proper Evaluations under § 32.1-165 of the Code of Virginia, and onsite sewage system Voluntary Upgrade permits. The Appropriation Act directed VDH to charge specific fees for these services. VDH does not have discretion on the amount to charge for these services.

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Acronyms and Definitions

Define all acronyms used in this form, and any technical terms that are not also defined in the "Definitions" section of the regulation.

"Repair" means the construction or replacement of all or parts of an onsite sewage system or alternative discharging system to correct a failing, damaged, or improperly functioning system when such construction or replacement is required by the Board of Health's regulations.

"Voluntary Upgrade" means an improvement to an existing onsite sewage disposal system or alternative discharging system that (i) is not required for compliance with any law or regulation and (ii) results in no net increase in the permitted volume or strength of sewage dispersed by the system.

"Safe, Adequate, and Proper Evaluation" means request for written authorization from the State Health Commissioner or his agent pursuant to § 32.1-165 of the Code of Virginia.

Statement of Final Agency Action

Provide a statement of the final action taken by the agency including: 1) the date the action was taken; 2) the name of the agency taking the action; and 3) the title of the regulation.

The State Board of Health approved this Fast Track Regulation for the Regulations Governing Fees for Onsite Sewage Disposal Systems, Alternative Discharging Systems, and Private Wells (12VAC5-620) at it's quarterly meeting on March 23, 2023.

Mandate and Impetus

Identify the mandate for this regulatory change and any other impetus that specifically prompted its initiation (e.g., new or modified mandate, petition for rulemaking, periodic review, or board decision). For purposes of executive branch review, "mandate" has the same meaning as defined in the ORM procedures, "a directive from the General Assembly, the federal government, or a court that requires that a regulation be promulgated, amended, or repealed in whole or part."

Consistent with Virginia Code § 2.2-4012.1, also explain why this rulemaking is expected to be noncontroversial and therefore appropriate for the fast-track rulemaking process.

Item 292(A) of the 2018 Appropriation Act directed the Commissioner to charge specific fees for onsite sewage system Repair Permits with and without private sector design; Safe Adequate and Proper Evaluations under §32.1-165; and onsite sewage system Voluntary Upgrade permits. These fees were in addition to other fees already established in preceding Appropriation Acts and included in the Regulations. Specifically, the 2018 Act introduced the following new fees:

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- "7. Notwithstanding § 32.1-163 through § 32.1-176, Code of Virginia, and starting July 1, 2019, the State Health Commissioner shall charge a fee of \$425.00, for a permit to repair an onsite sewage system or an alternative discharging system designed for less than 1,000 gallons per day not supported with certified work from an onsite soil evaluator or a professional engineer working in consultation with an onsite soil evaluator. This fee shall be waived for persons with income below 200 percent of the federal poverty guidelines as established by the United States Department of Health and Human Services when the application is for a pit privy or for a repair of a failing onsite or alternative discharging sewage system.
- 8. Notwithstanding § 32.1-163 through § 32.1-176, Code of Virginia, and starting July 1, 2019, the State Health Commissioner shall charge a fee of \$225.00, for a permit to repair or voluntarily upgrade an onsite sewage system or alternative discharging system designed for less than 1,000 gallons per day supported with certified work from an onsite soil evaluator or a professional engineer. This fee shall be waived for persons with income below 200 percent of the federal poverty guidelines as established by the United States Department of Health and Human Services when the application is for a pit privy or for a repair of a failing onsite or alternative discharging sewage system.
- 9. Notwithstanding § 32.1-163 through § 32.1-176, Code of Virginia, and starting July 1, 2019, the State Health Commissioner shall charge a fee of \$150.00, to provide written authorizations pursuant to § 32.1-165 not supported with certified work from a qualified professional.
- 10. Notwithstanding § 32.1-163 through § 32.1-176, Code of Virginia, and starting July 1, 2019, the State Health Commissioner shall charge a fee of \$100.00, to provide written authorizations pursuant to § 32.1-165 supported with certified work from a qualified professional.
- 11. Notwithstanding § 32.1-163 through § 32.1-176, Code of Virginia, and starting July 1, 2019, the State Health Commissioner shall charge a fee of \$1,400.00, for a permit to repair or voluntarily upgrade an onsite sewage system designed for more than 1,000 gallons per day."

Section 32.1-164 (C) of the Code of Virginia states that if VDH denies an onsite sewage system or alternative discharging system permit for land on which the applicant seeks to construct their principal place of residence, then the application fee shall be refunded to the applicant. This language had not been included in the Regulations.

This regulatory action is expected to be non-controversial because it contains non-discretionary updates to conform the Regulations to the Appropriation Act, non-controversial revisions to provide consistent processes for the refund of withdrawn applications, and Code of Virginia and non-substantive changes in style and form, and is therefore appropriate for the Fast Track process.

Legal Basis

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Identify (1) the promulgating agency, and (2) the state and/or federal legal authority for the regulatory change, including the most relevant citations to the Code of Virginia and Acts of Assembly chapter number(s), if applicable. Your citation must include a specific provision, if any, authorizing the promulgating agency to regulate this specific subject or program, as well as a reference to the agency's overall regulatory authority.

The promulgating agency is the State Board of Health.

Section 32.1-12 provides the Board of Health authority to make, adopt and promulgate regulations necessary to carry out the provisions of Title 32.1 of the Code of Virginia and other laws administered by the Virginia Department of Health.

Item 294 (A)(7) of Chapter 2 of the 2022 Acts of Assembly, Special Session I ("2022 Appropriation Act") states that starting July 1, 2019, the State Health Commissioner shall charge a fee of \$425.00, for a permit to repair an onsite sewage system or an alternative discharging systems designed for less than 1,000 gallons per day not supported with certified work from an onsite soil evaluator or a professional engineer working in consultation with an onsite soil evaluator. Item 294 part A.7 states this fee shall be waived for persons with income below 200 percent of the federal poverty guidelines as established by the United States Department of Health and Human Services.

Items 294 (A)(8) of the 2022 Appropriation Act states that starting July 1, 2019, the State Health Commissioner shall charge a fee of \$225.00, for a permit to repair or voluntarily upgrade an onsite sewage system or alternative discharging system designed for less than 1,000 gallons per day supported with certified work from an onsite soil evaluator or a professional engineer. Item 294 part A.8 states this fee shall be waived for persons with income below 200 percent of the federal poverty guidelines as established by the United States Department of Health and Human Services.

Item 294 (A)(9) of the 2022 Appropriation Act states that starting July 1, 2019, the State Health Commissioner shall charge a fee of \$150.00, to provide written authorizations pursuant to § 32.1-165 not supported with certified work from a qualified professional.

Item 294 (A)(10) of the 2022 Appropriation Act states that starting July 1, 2019, the State Health Commissioner shall charge a fee of \$100.00, to provide written authorizations pursuant to §32.1-165 supported with certified work from a qualified professional.

Item 294 (A)(11) of the 2022 Appropriation Act states that starting July 1, 2019, the State Health Commissioner shall charge a fee of \$1,400.00, for a permit to repair or voluntarily upgrade an onsite sewage system designed for more than 1,000 gallons per day.

Section 32.1-164 (C) of the Code of Virginia states that if VDH denies an onsite sewage system or alternative discharging system permit for land on which the applicant seeks to construct their principal place of residence, then such fee shall be refunded to the applicant.

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Purpose

Explain the need for the regulatory change, including a description of: (1) the rationale or justification, (2) the specific reasons the regulatory change is essential to protect the health, safety or welfare of citizens, and (3) the goals of the regulatory change and the problems it is intended to solve.

The purpose of this fast track amendment to the Regulations is to align the Regulations with fees collected by VDH pursuant to the Appropriation Act since July 1, 2019. This amendment is justified because VDH was required to begin collecting fees for Repair Permits, Voluntary Upgrades, and Safe, Adequate, and Proper Evaluations on July 1, 2019. The 2018 and subsequent Appropriation Acts set a specific fee that the agency must charge, so there is no discretion in setting the amount.

The fast track amendments also seek to establish refunds for denials and withdrawals of Repair Permits, Voluntary Upgrades, and Safe, Adequate and Proper Evaluations. The rationale is to provide a consistent process for refunds as provided for other permit fees and as required pursuant to § 32.1-164 (C) of the Code of Virginia.

The amendments are essential to ensure clear consistent implementation of onsite sewage system permits and to ensure transparency of fees to the public. Proper permitting of onsite sewage systems is necessary to ensure proper disposal of sewage occurs to protect the health and safety of Virginians. The goal of the proposed amendments is to provide consistency between the Code of Virginia, the Appropriation Act, and the Regulations, and provide consistency in refund processes for all application fees.

Substance

Briefly identify and explain the new substantive provisions, the substantive changes to existing sections, or both. A more detailed discussion is provided in the "Detail of Changes" section below.

The proposed amendments include a fee of \$425.00 for a Repair Permit for an onsite sewage system or an alternative discharging system designed for less than 1,000 gallons per day not supported with certified work from an onsite soil evaluator or a professional engineer working in consultation with an onsite soil evaluator. For a Repair Permit or Voluntary Upgrade of an onsite sewage system or alternative discharging system designed for less than 1,000 gallons per day with supporting work from an onsite soil evaluator or professional engineer, the fee is \$225.00. The fee for a Repair Permit or Voluntary Upgrade of an onsite sewage system designed for more than 1,000 gallons per day is \$1,400.00.

The proposed amendments include a fee of \$150.00 for Safe, Adequate, and Proper Evaluations without a private sector certification, and \$100.00 for evaluations with a private sector certification. The proposed amendments also mirror language in the Appropriation Act to

provide a Repair Permit or Voluntary Upgrade fee waiver for persons with income below 200 percent of the federal poverty guidelines.

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The proposed amendments also strike the fee waiver in Section 80 of the Regulations for all Repair Permit fees for onsite sewage disposal systems or alternative discharging systems to bring the Regulations in alignment with the Appropriation Act.

The proposed amendments revised Section 90 of the Regulations to include Repair Permits, Voluntary Upgrades, and Safe, Adequate, and Proper Evaluations to applications that allow for a refund when the application is denied or withdrawn. VDH is required by the Code of Virginia to provide a refund when an onsite sewage system or alternative discharging system permit is denied for a principal place of residence.

This rulemaking also contains several non-substantive edits to conform the language to the Form, Style and Procedure Manual for Publication of Virginia Regulations.

Issues

Identify the issues associated with the regulatory change, including: 1) the primary advantages and disadvantages to the public, such as individual private citizens or businesses, of implementing the new or amended provisions; 2) the primary advantages and disadvantages to the agency or the Commonwealth; and 3) other pertinent matters of interest to the regulated community, government officials, and the public. If there are no disadvantages to the public or the Commonwealth, include a specific statement to that effect.

The primary advantage of the proposed amendments is providing alignment between the Code of Virginia, the Appropriation Act, and the Regulations, which avoids confusion for onsite sewage system owners, private sector professionals, and VDH staff. This alignment applies to fees, waivers of fees, and refunds of fees.

It is important to note that VDH currently collects fees pursuant to the requirements contained in the Appropriation Act, and there is no discretion in the amount of fee charged. There are no disadvantages to the public or the Commonwealth in promulgating these amendments.

Requirements More Restrictive than Federal

Identify and describe any requirement of the regulatory change which is more restrictive than applicable federal requirements. Include a specific citation for each applicable federal requirement, and a rationale for the need for the more restrictive requirements. If there are no applicable federal requirements, or no requirements that exceed applicable federal requirements, include a specific statement to that effect.

There are no federal requirements, other than non-enforceable general guidance, addressing the design, construction, and permitting of onsite sewage systems and private wells.

Agencies, Localities, and Other Entities Particularly Affected

Consistent with § 2.2-4007.04 of the Code of Virginia, identify any other state agencies, localities, or other entities particularly affected by the regulatory change. Other entities could include local partners such as tribal governments, school boards, community services boards, and similar regional organizations. "Particularly affected" are those that are likely to bear any identified disproportionate material impact which would not be experienced by other agencies, localities, or entities. "Locality" can refer to either local governments or the locations in the Commonwealth where the activities relevant to the regulation or regulatory change are most likely to occur. If no agency, locality, or entity is particularly affected, include a specific statement to that effect.

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There are no other agencies, localities, or entities particularly affected by the proposed amendments, as the fees are already charged to property owners pursuant to the Appropriation Act.

Economic Impact

Consistent with § 2.2-4007.04 of the Code of Virginia, identify all specific economic impacts (costs and/or benefits), anticipated to result from the regulatory change. When describing a particular economic impact, specify which new requirement or change in requirement creates the anticipated economic impact. Keep in mind that this is the proposed change versus the status quo.

Impact on State Agencies

| For your exercise majorated costs, configure for any | The maintenance of the common description of NOV |
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| For your agency: projected costs, savings, fees or revenues resulting from the regulatory change, including: a) fund source / fund detail; b) delineation of one-time versus on-going expenditures; and c) whether any costs or revenue loss can be absorbed within existing resources | The projected cost of these amendments on VDH are expected to be below \$2,500. 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 typically also qualify for a fee waiver based on income given the transition of direct services; more than 95% of designs included supporting private sector work. The proposed amendments ensure the applicable owners would receive a refund for an application withdrawal. VDH anticipated 66 additional withdrawals each year. This would require VDH to refund approximately \$14,850 annually. These costs can be absorbed with existing resources. Fees for Repair Permits, Voluntary Upgrades, and Safe, Adequate, and Proper Evaluations are already collected pursuant to the Appropriation Act and refunded as appropriate pursuant to § 32.1-164 (C). |
| For other state agencies: projected costs, | VDH does not anticipate any additional costs or |
| savings, fees or revenues resulting from the regulatory change, including a delineation of one-time versus on-going expenditures. | savings for other state agencies. |
| For all agencies: Benefits the regulatory change | The benefit of the regulatory change is that it |
| is designed to produce. | brings the Regulations in alignment with the Appropriation Act and § 32.1-164 (C). This is not anticipated to impact savings, and costs can be absorbed with existing resources. |

Impact on Localities

If this analysis has been reported on the ORM Economic Impact form, indicate the tables (1a or 2) on which it was reported. Information provided on that form need not be repeated here.

| Projected costs, savings, fees or revenues resulting from the regulatory change. | See Table 2 of the ORM Economic Impact form. |
|----------------------------------------------------------------------------------|----------------------------------------------|
| Benefits the regulatory change is designed to | See Table 2 of the ORM Economic Impact form. |
| produce. | |

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Impact on Other Entities

If this analysis has been reported on the ORM Economic Impact form, indicate the tables (1a, 3, or 4) on which it was reported. Information provided on that form need not be repeated here.

| Description of the individuals, businesses, or other entities likely to be affected by the regulatory change. If no other entities will be affected, include a specific statement to that effect. | See Tables 3 and 4 of the ORM Economic Impact form. |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|
| Agency's best estimate of the number of such entities that will be affected. Include an estimate of the number of small businesses affected. Small business means a business entity, including its affiliates, that: a) is independently owned and operated and; b) employs fewer than 500 full-time employees or has gross annual sales of less than \$6 million. | See Tables 3 and 4 of the ORM Economic Impact form. |
| All projected costs for affected individuals, businesses, or other entities resulting from the regulatory change. Be specific and include all costs including, but not limited to: a) projected reporting, recordkeeping, and other administrative costs required for compliance by small businesses; b) specify any costs related to the development of real estate for commercial or residential purposes that are a consequence of the regulatory change; c) fees; d) purchases of equipment or services; and e) time required to comply with the requirements. | See Tables 3 and 4 of the ORM Economic Impact form. |
| Benefits the regulatory change is designed to produce. | See Tables 3 and 4 of the ORM Economic Impact form. |

Alternatives to Regulation

Describe any viable alternatives to the regulatory change that were considered, and the rationale used by the agency to select the least burdensome or intrusive alternative that meets the essential purpose of the regulatory change. Also, include discussion of less intrusive or less costly alternatives for small businesses, as defined in § 2.2-4007.1 of the Code of Virginia, of achieving the purpose of the regulatory change.

An alternative is for VDH to continue to collect the applicable fees pursuant to the Appropriation Act and providing refunds pursuant to § 32.1-164 (C) without an amendment to the Regulations. The existing inconsistency between the Code of Virginia, the Appropriation Act, and the Regulations would create or continue confusion for the public, regulated entities, and VDH staff, and as such is not considered to be viable. Therefore, VDH believes the proposed amendments create the least intrusive alternative on the agency and stakeholders. There is no alternative for small businesses as the Appropriation Act makes no exceptions or alternate fees for small businesses.

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Regulatory Flexibility Analysis

Consistent with § 2.2-4007.1 B of the Code of Virginia, describe the agency's analysis of alternative regulatory methods, consistent with health, safety, environmental, and economic welfare, that will accomplish the objectives of applicable law while minimizing the adverse impact on small business. Alternative regulatory methods include, at a minimum: 1) establishing less stringent compliance or reporting requirements; 2) establishing less stringent schedules or deadlines for compliance or reporting requirements; 3) consolidation or simplification of compliance or reporting requirements; 4) establishing performance standards for small businesses to replace design or operational standards required in the proposed regulation; and 5) the exemption of small businesses from all or any part of the requirements contained in the regulatory change.

The fees in the proposed amendments are already collected pursuant to the Appropriation Act, which provides the agency no authority or discretion to offer discounted fee rates for small businesses. Therefore, VDH does not anticipate the amendments to these Regulations to adversely impact small businesses.

Public Participation

Indicate how the public should contact the agency to submit comments on this regulation, and whether a public hearing will be held, by completing the text below.

Consistent with § 2.2-4011 of the Code of Virginia, if an objection to the use of the fast-track process is received within the 30-day public comment period from 10 or more persons, any member of the applicable standing committee of either house of the General Assembly or of the Joint Commission on Administrative Rules, the agency shall: 1) file notice of the objections with the Registrar of Regulations for publication in the Virginia Register and 2) proceed with the normal promulgation process with the initial publication of the fast-track regulation serving as the Notice of Intended Regulatory Action.

If you are objecting to the use of the fast-track process as the means of promulgating this regulation, please clearly indicate your objection in your comment. Please also indicate the nature of, and reason for, your objection to using this process.

The Virginia Department of Health is providing an opportunity for comments on this regulatory proposal, including but not limited to (i) the costs and benefits of the regulatory proposal and any alternative approaches, (ii) the potential impacts of the regulation, and (iii) the agency's regulatory flexibility analysis stated in this background document.

Anyone wishing to submit written comments for the public comment file may do so through the Public Comment Forums feature of the Virginia Regulatory Town Hall web site at: https://townhall.virginia.gov. Comments may also be submitted by mail, email or fax to:

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Lance Gregory, Office of Environmental Health Services, 109 Governor Street 5th Floor Richmond, Virginia 23219 phone (804) 864-7491; fax (804) 864-7454 Lance.Gregory@ydh.virginia.gov.

In order to be considered, comments must be received by 11:59 pm on the last day of the public comment period.

A public hearing will not be held following the publication of this regulatory action.

Detail of Changes

List all regulatory changes and the consequences of the changes. Explain the new requirements and what they mean rather than merely quoting the text of the regulation. For example, describe the intent of the language and the expected impact. Describe the difference between existing requirement(s) and/or agency practice(s) and what is being proposed in this regulatory change. Use all tables that apply, but delete inapplicable tables.

If an <u>existing VAC Chapter(s)</u> is being amended or repealed, use Table 1 to describe the changes between existing VAC Chapter(s) and the proposed regulation. If existing VAC Chapter(s) or sections are being repealed <u>and replaced</u>, ensure Table 1 clearly shows both the current number and the new number for each repealed section and the replacement section.

Table 1: Changes to Existing VAC Chapter(s)

| Current chapter- section number | New chapter- section number, if applicable | Current requirements in VAC | Change, intent, rationale, and likely impact of new requirements |
|------------------------------------------|-----------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 12VAC5- 620-70 | | No fee for onsite sewage system and alternative discharge Repair Permits, Voluntary Upgrades, and Safe, Adequate, and Proper Evaluation. | CHANGE: The proposed amendments change this section by adding the following fees: i) \$425 for Repair Permits for systems less than 1,000 gallons per day without a private sectors design; ii) \$225 for Repair Permits for systems less than 1,000 gallons per day with a private sector design; iii) \$1,400 for Repair Permits for systems greater than 1,000 gallons per day; iv) \$225 for Voluntary Upgrades less than 1,000 gallons per day; v) \$1,400 for Voluntary Upgrades greater than 1,000 gallons per day; vi) \$150 for Safe, Adequate, and Proper Evaluations without private sector documentation; and vii) \$100 for Safe, Adequate, and Proper Evaluations with |

| | | private sector documentation. The proposed amendments also include stylistic changes consistent with the Register Style Manual. |
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| | | INTENT: The intent of these fees is to align with fees pursuant to the Appropriation Act. The intent of the stylistic changes is to improve readability of the Regulations. |
| | | RATIONALE: The rationale for inclusion of these fees is to reduce confusion as the fees are already collected by VDH as required in the Appropriation Act. The rationale for the stylistic changes were in accordance with the Register Style Manual. |
| | | LIKELY IMPACT: These amendments will likely reduce confusion by eliminating inconsistencies between the Appropriation Act and the Regulations. |
| 12VAC5- 620-80 | Fee waivers are only provided to owners whose family income is at or below the federal poverty guidelines. | CHANGE: The proposed amendment to 12VAC5-620-80 (A) is to provide an updated reference to the federal poverty guidelines and to include a fee waiver for owners whose income is at or below 200 percent of the federal poverty guidelines for Repair Permits. The proposed amendment to 12VAC5-620-80 (C) is to eliminate the fee waiver for all Repair Permits. The proposed amendment to 12VAC5-620-80 (D) removes duplicative language from the Regulations. The proposed amendments also include stylistic changes consistent with the Register Style Manual. |
| | | INTENT: The intent of these amendments are to align with fee waivers provided pursuant to the Appropriation Act, and to eliminate redundant language in the Regulations. The intent of the stylistic changes is to improve readability of the Regulations. |
| | | RATIONALE: The rationale for inclusion of the fee waiver is the waiver is already required pursuant to the Appropriation Act. The rationale for removing section 12VAC5-620-80 (D) is the language is duplicative to portions of 12VAC5-620-90, and therefore unnecessary. The rationale for the |

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| | | stylistic changes were in accordance |
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| | | with the Register Style Manual. |
| | | LIKELY IMPACT: These amendments will likely reduce confusion by eliminating inconsistencies between the Appropriation Act and the Regulations. |
| 12VAC5- 620-90 | Provides a refund to applicants for construction permits and certification letters whose application is denied, when the owner intends to use the building as a principal place of residence. | CHANGE: The proposed amendment to 12VAC5-620-90 (A) 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 principal place of residence. The proposed amendment to 12VAC5-620-90 (B) 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. The proposed amendments also include stylistic changes consistent with the Register Style Manual. |
| | | INTENT: The intent of these amendments are to align with refunds as required by § 32.1-164 (C) of the Code of Virginia and to provide consistency among all application types of refunds for application denials and withdrawals in the Regulations. The intent of the stylistic changes is to improve readability of the Regulations. |
| | | RATIONALE: The rationale to extend refunds for these application types is that § 32.1-164 (C) of the Code of Virginia requires VDH to provide the refund for a principal place of residence. VDH did not charge a fee for these application types; therefore, an allowance for a refund was unnecessary. Now that a permit fee is required, an allowance for a refund is consistent with current agency practice for other applications. The rationale for the stylistic changes were in accordance with the Register Style Manual. |
| | | LIKELY IMPACT: These amendments will likely reduce confusion by eliminating inconsistencies between the Appropriation Act and the Regulations. The amendments will also likely result in an average of 66 more applicants per |

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| | year who will be eligible to receive a refund. This is based on the number of average number of Repair Permit, Voluntary Upgrade, and Safe, Adequate, and Proper Evaluations withdraws since July 1, 2019. |
|----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 12VAC5-620- 9998. FORMS | CHANGE: Added refund affidavit form. |
| | INTENT: The intent is to reference the form to be used to apply for a refund of an application fee. |
| | RATIONALE: Having one, standard form, referenced in the regulation, ensures an efficient process across the Commonwealth and avoids potential confusion regarding the form. |
| | LIKELY IMPACT: Applicants who wish to request a refund will continue using the form, and will be able to access the form via the regulations themselves on VAC Online. |

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