



Economic Impact Analysis Virginia Department of Planning and Budget

**18 VAC 160-20 – Virginia Board of Waterworks and Wastewater Works Operators and
Onsite Sewage Systems Professionals Regulations**
Department of Professional and Occupational Regulation
February 28, 2010

Summary of the Proposed Amendments to Regulation

The Board for Waterworks and Wastewater Works Operators and Onsite Sewage System Professionals (Board) proposes to amend its regulations so that: 1) licensees may supervise the work of unlicensed individuals who are not seeking licensure, 2) the experience requirement for licensure as a sewage system installer can be fulfilled with proof of installation jobs performed whether or not they were performed under a contractors license with a SDS specialty attached and 3) the experience requirements for licensure as an alternate onsite sewage installer require, as proof of experience, paperwork that is already required by the Virginia Department of Health (VDH) after a system installation is complete.

Result of Analysis

The benefits likely exceed the costs for all proposed changes.

Estimated Economic Impact

Under current regulations, the definitions of direct supervision and direct supervisor only allow licensees to supervise non-licensed individuals who are working to qualify for licensure. The Board proposes to modify these definitions so that licensees can supervise unlicensed individuals whether or not they ever plan on becoming licensed. Since the licensee supervisors are now, and will continue to be, responsible for the work of any individuals that they supervise, it is likely that no entity will incur extra costs on account of this regulatory change. Regulated entities will benefit from the removal of this restriction because it will open up a wider pool of possible employees for their businesses. Individuals who might be interested in this type of

employment, but who do not want to work toward licensure, will also benefit if this regulatory change will allow them to work under the supervision of a licensee.

Current regulations require that applicants for licensure as onsite sewage system installers have experience installing onsite sewage systems either under the supervision of a contractor with a sewage disposal system (SDS) specialty or actually working as a contractor with an SDS specialty. Because the Board has had contractor applicants who have a proven record of successfully installing onsite sewage systems during a time when they did not have an SDS specialty attached to their license, the Board proposes to change licensure requirements. Under the proposed regulations, applicants for licensure only have to either have a contractor's license with an SDS specialty, or be working for a contractor with an SDS specialty, at the time they apply for licensure rather than when all experience requirements were met. Contractors who meet the requirements for an SDS specialty can obtain it by filling out a form and paying a \$40 fee. Since all onsite sewage systems are inspected after they are completed, there is likely no public health consequence to allowing less restrictive provisions for gaining experience. Applicants will likely benefit from this proposed change as it will allow them to use all of their experience without having to discount jobs that were not done under a contractor's SDS specialty.

Current regulations that govern licensure for alternate onsite sewage system installers require proving successful completion of a certain number of onsite or alternate onsite sewage systems installations. The Board currently requires, as proof of completed jobs, paperwork that might be difficult or impossible for applicants to obtain. To solve this problem, the Board proposes to require only the same paperwork that is also required by the Virginia Department of Health (VDH) to prove successful completion of sewage systems jobs. This change will benefit applicants who will no longer be required to provide papers that they don't have or can't get.

Businesses and Entities Affected

The Department of Professional and Occupational Regulation (DPOR) reports that there are currently 104 licensed sewage systems installers and 1,459 contractors with SDS specialties in the Commonwealth. All of these individuals, as well as any individuals who may wish to be licensed by the Board in the future, will be affected by these proposed regulations.

Localities Particularly Affected

No locality will be particularly affected by this proposed regulatory action.

Projected Impact on Employment

This regulatory action will likely have no impact on employment in the Commonwealth.

Effects on the Use and Value of Private Property

This regulatory action will likely have no effect on the use or value of private property in the Commonwealth.

Small Businesses: Costs and Other Effects

Small businesses in the Commonwealth are unlikely to incur any costs on account of this regulatory action.

Small Businesses: Alternative Method that Minimizes Adverse Impact

Small businesses in the Commonwealth are unlikely to incur any costs on account of this regulatory action.

Real Estate Development Costs

This regulatory action will likely have no effect on real estate development costs in the Commonwealth.

Legal Mandate

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.H of the Administrative Process Act and Executive Order Number 36 (06). Section 2.2-4007.H requires that such economic impact analyses include, but need not be limited to, the projected number of businesses or other entities to whom the regulation would apply, the identity of any localities and types of businesses or other entities particularly affected, the projected number of persons and employment positions to be affected, the projected costs to affected businesses or entities to implement or comply with the regulation, and the impact on the use and value of private property. Further, if the proposed regulation has adverse effect on small businesses, Section 2.2-4007.H requires that such economic impact analyses include (i) an identification and estimate of the number of small businesses subject to the regulation; (ii) the projected reporting, recordkeeping, and other

administrative costs required for small businesses to comply with the regulation, including the type of professional skills necessary for preparing required reports and other documents; (iii) a statement of the probable effect of the regulation on affected small businesses; and (iv) a description of any less intrusive or less costly alternative methods of achieving the purpose of the regulation. The analysis presented above represents DPB's best estimate of these economic impacts.