

## Department of Planning and Budget 2007 Fiscal Impact Statement

1. **Bill Number:** HB 2691

**House of Origin** ☐ Introduced ☐ Substitute ☐ Engrossed

**Second House** ☐ In Committee ☐ Substitute ☒ Enrolled

2. **Patron:** Terrie L. Suit

3. **Committee:** Passed Both Houses

4. **Title:** Environmental Health Education and Training Fund; civil penalties

5. **Summary/Purpose:** Establishes the Environmental Health Education and Training Fund to support, train, educate, and recognize public- and private-sector individuals in all areas of environmental health. This bill directs the Board of Health to establish a schedule of civil penalties for violations of regulations governing onsite sewage systems, which shall be credited to the Fund. The penalty for any one violation will not be more than \$100 for the initial violation and not more than \$150 for each additional violation.

6. **Fiscal Impact Estimates are Indeterminate:** See Item # 8.

**Revenue Impact:**

	<i>Dollars</i>		
<i>Fiscal Year</i>	<i>GF</i>	<i>NGF</i>	<i>Positions</i>
2006-07	-	-	0.0
2007-08	-	\$15,950	0.0
2008-09	-	\$15,950	0.0
2009-10	-	\$15,950	0.0
2010-11	-	\$15,950	0.0
2011-12	-	\$15,950	0.0
2012-13	-	\$15,950	0.0

7. **Budget amendment necessary:** No, see Item 8.

8. **Fiscal implications:** The Virginia Department of Health (VDH) advises that while there may be a minimal costs associated with the administration of the Fund and the collection of the civil penalties, it believes it can absorb those costs, thus the agency will require no additional resources at the current time. The primary impact will be associated with the revenues that will be derived from civil penalties assessed for repeated failure to correct onsite sewage system violations within a 30 day period. The legislation specifies that the penalty for any one violation shall be not more than \$100 for the initial violation and not more than \$150 for each additional violation. Each day during the violation is found to have existed shall constitute a separate offense. However, specified violations arising from the same operative set of facts shall not be charged more than once in any 10-day period, and a series of specified violations arising from the same operative set of facts shall not result in civil penalties exceeding a total of \$3,000. Based on those parameters, it is estimated that annually approximately 5-10 system owners in each health district will likely incur the civil

penalties. That range would include between 175 and 350 potential violators each year. Given that it is difficult to accurately estimate the number of potential violators before the fact, a midpoint of 250 was chosen as a reasonable estimate of potential violators. Of the 250 owners potentially penalized for failure to remediate system failures, approximately 1/3 (66) of them would be severe enough to incur the civil penalties. It is estimated that approximately 75% of those 66 owners would have the minimal penalty of \$100; 20% the additional penalty of \$150; and 5% have the maximum fine of \$3,000 imposed.

Owners Impacted	Penalty	Total
3	\$3,000	\$ 9,000
13	\$ 150	\$ 1,950
50	\$ 100	\$ 5,000
<b>Potential Revenue from failing sewage systems</b>		<b>\$15,950</b>

**TOTAL REVENUE - \$15,950**

The adjustment to reflect the additional revenue can be performed administratively.

**9. Specific agency or political subdivisions affected:** Virginia Department of Health

**10. Technical amendment necessary:** None.

**11. Other comments:** No.

**Date:** 3/19/2007

**Document:** HB2691.doc

cc: Secretary of Health and Human Resources