

Department of Planning and Budget 2018 Fiscal Impact Statement

1. Bill Number: HB 192

House of Origin	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. Patron: Yancey

3. Committee: Health, Welfare and Institutions

4. Title: Rainwater and gray water; regulations.

5. Summary: Directs the State Department of Health (the Department) to adopt regulations regarding the use of gray water and rainwater. The regulations shall provide standards for the use of rainwater harvesting systems. The bill also directs the Department to consider recognizing rainwater as an independent source of fresh water.

6. Budget Amendment Necessary: Indeterminate, see item 8.

7. Fiscal Impact Estimates: Indeterminate, see item 8.

8. Fiscal Implications: The fiscal impact this bill would have on the Commonwealth cannot be determined at this time. While there will be a minimal cost to the Department of Health (VDH), which can be absorbed, to develop regulations for gray water, there is no additional cost to permit and inspect for these services as they are already provided. Likewise, the bill would not affect any waterworks regulated under the Virginia Waterworks Regulations and the Safe Drinking Water Act because these regulations already contain standards for the use of rainwater. However, rainwater harvesting systems that do not meet the definition of a waterworks are not currently regulated by the VDH. Non-potable use of harvested rainwater within a building is currently regulated by local building officials under the Virginia Department of Housing and Community Development's (DHCD).

The bill also directs VDH to consider recognizing rainwater harvesting systems to supply potable water for residential use. If rainwater harvesting systems are to be used as potable sources of water, it is imperative to ensure that they are properly operated and maintained to remove contaminants. The types of system components and need for ongoing operation and maintenance have many similarities to VDH's existing Alternative Onsite Sewage Systems (AOSS) program.

At this time, VDH does not have a reliable estimate for the number of rainwater harvesting system applications that the agency would receive or how many permits for rainwater harvesting systems that would be permitted and regulated. However, using the existing AOSS program as a point of reference, VDH estimates that each rainwater harvesting system would have a resource impact of approximately \$300 per permit to the agency. This estimate is based on resources to permit, inspect, and monitor operation and maintenance for each

system. The impact of this bill on staffing levels is unknown. If applications for rainwater harvesting systems are low and spread evenly across the Commonwealth, the agency may be able to absorb any fiscal impact. If application numbers are high or concentrated in a specific area, then additional staffing resources may be necessary.

This bill would not have a fiscal impact on the Department of Environmental Quality or the Department of Housing and Community Development.

- 9. Specific Agency or Political Subdivisions Affected:** The Virginia Department of Health, Department of Environmental Quality, and the Department of Housing and Community Development.
- 10. Technical Amendment Necessary:** VDH recommends amending the bill to provide or require 1) authority to require construction and operation permits for rainwater harvesting systems producing potable water; 2) operation and maintenance requirements for any rainwater harvesting system producing potable water, and operation and maintenance requirements for property owners to obtain an operational permit prior to placing a rainwater harvesting system. 3) definitions of “rainwater” and “rainwater harvesting systems” to ensure that the contemplated regulations do not conflict with DEQ’s regulations for stormwater; and 4) that exclusions to the definition of gray water be developed through the regulatory adoption process. VDH also recommends that the bill replace reference to “human consumption” with “potable use” or “non-potable use” as appropriate.”
- 11. Other Comments:** None.