

## ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

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1. Type of Estimate and Analysis

Original    Updated    Corrected

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2. Administrative Rule Chapter, Title and Number

SPS 381-Definitions and Standards, SPS 382- Design, Construction, Installation, Supervision, Maintenance and Inspection of Plumbing, SPS 383-Private Onsite Wastewater Treatment Systems, SPS 383-Appendix, SPS 384-Plumbing Products, SPS 384-Appendix, SPS 385-Soil and Site Evaluations, SPS 386-Boat and On-Shore Sewage Facilities, SPS 387-Private Onsite Wastewater Treatment System Replacement of Rehabilitation Financial Assistance Program, SPS 391-Sanitation

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3. Subject

Comprehensive update of Private Onsite Wastewater Treatment Systems (POWTS) and the Wisconsin Fund codes.

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4. Fund Sources Affected

GPR    FED    PRO    PRS    SEG    SEG-S

5. Chapter 20, Stats. Appropriations Affected

20.165(2)(j); 20.165(2)(ke)

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6. Fiscal Effect of Implementing the Rule

No Fiscal Effect       Increase Existing Revenues       Increase Costs  
 Indeterminate       Decrease Existing Revenues       Could Absorb Within Agency's Budget  
 Decrease Cost

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7. The Rule Will Impact the Following (Check All That Apply)

State's Economy       Specific Businesses/Sectors  
 Local Government Units       Public Utility Rate Payers  
 Small Businesses (if checked, complete Attachment A)

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8. Would Implementation and Compliance Costs Be Greater Than \$20 million?

Yes       No

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9. Policy Problem Addressed by the Rule

The POWTS code has not been reviewed in its entirety since April 2000. Recent technological advances and improved methodologies were reviewed for inclusion in this revision. Under s. 145.245 (7) (c), Stats., the funding tables for the Wisconsin Fund code, ch. SPS 387, are to be revised when it is determined that 60% of current costs of private sewage system rehabilitation or replacement exceed the amounts in the grant funding tables by more than 10%. The tables were last revised in February 1999.

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10. Summary of the businesses, business sectors, associations representing business, local governmental units, and individuals that may be affected by the proposed rule that were contacted for comments.

The proposed rule was posted on the Department of Safety and Professional Services' website for 14 days in order to solicit comments from businesses, representative associations, local governmental units, and individuals that may be affected by the rule. Stakeholders, which include local purveyors, product manufacturers and distributors, plumbing designers and inspectors, were notified of the open comment period via an electronic announcement disseminated by the Department. One comment was received, stating support of maintaining the Wisconsin Fund.

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11. Identify the local governmental units that participated in the development of this EIA.

No local governmental units participated in the development of this EIA.

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12. Summary of Rule's Economic and Fiscal Impact on Specific Businesses, Business Sectors, Public Utility Rate Payers, Local Governmental Units and the State's Economy as a Whole (Include Implementation and Compliance Costs Expected to be Incurred)

The Department has determined a fiscal impact exists due to costs associated with training POWTS staff on the code changes. The estimate is about \$3,800.00 and can be absorbed into the existing budget. The proposed changes are not expected to result in significant additional costs and are unlikely to have a negative economic impact on small businesses or the affected entities.

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### 13. Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule

This update is necessary to keep Wisconsin's POWTS code consistent with regional and national standards and with legislation enacted since the previous update of the POWTS code. Changes to the rule will ensure Wisconsin's POWTS meet current standards for public health and environmental protection. The rule revision also ensures that the grant funding tables for the Wisconsin Fund are adequately updated pursuant to s. 145.245 (7) (c), Stats.

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### 14. Long Range Implications of Implementing the Rule

Adopting this rule will keep Wisconsin's POWTS code current with industry practices and new technologies designed to increase public health and safety.

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### 15. Compare With Approaches Being Used by Federal Government

Under 40 CFR 35.918, individual systems and the requirements for discharge of effluents, the U.S. EPA has the authority to prescribe requirements for individual on-site wastewater treatment systems, as well as the provisions of financial assistance. In addition, best practicable waste treatment criteria published by EPA under section 304 (d) (2) of the Act shall be met for disposal of effluent on or into the soil from individual POWTS systems.

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### 16. Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota)

**Illinois:** The Illinois Department of Public Health (IDPH) regulates the installation of all private sewage disposal systems that have no surface discharge. There are approximately 90 local health agencies in Illinois that review plans, either by authority of a local ordinance or as an "agent" of the Department. All Illinois Onsite Wastewater Treatment Systems (OWTS) must be installed and operated in accordance with the requirements specified in the Illinois Private Sewage Disposal Code and Operation of Onsite Wastewater Treatment Systems. In accordance with Illinois law, malfunctioning systems must be remediated, repaired, and/or replaced in accordance with the requirements specified in the code. Effective January 1, 2014, the State of Illinois enacted new changes to the Private Sewage Disposal Code. The new changes included new approval, inspection, maintenance, and record-keeping requirements. No state funding program or mechanism exists in Illinois to assist homeowners replacing failing systems or installing new systems.

**Iowa:** The Iowa Department of Natural Resources regulates domestic wastewater from 4 homes or less or non-residential wastewater with a flow of less than 1,500 gallons per day. Private sewer systems are regulated by local boards of health in conjunction with the Iowa Department of Natural Resources. The DNR standards are primarily a prescriptive code giving design criteria for each alternative type of secondary treatment system permitted. Counties have the authority to allow alternative or innovative performance based systems and are required to enter basic information about the systems into the state onsite wastewater database system. An estimated 100,000 septic systems in Iowa are at substandard levels. Funding assistance is available for the replacement of inadequate private onsite sewer systems.

**Michigan:** Michigan is the only state in the nation without uniform standards governing how on-site sewage treatment systems are designed, built, installed, and maintained. Eleven counties exercise some oversight of private septic systems, including regular inspections, but they are unregulated in the remaining 72 counties. Michigan also does not have a statewide licensing/certification program for individual onsite wastewater systems. Criteria is used by the Michigan Department of Environmental Quality and by 44 local health departments that develop their own local rules to regulate single- and two-family systems. Reports conservatively estimate that nearly 10 percent of the state's septic systems – about 130,000 systems – are failing. There is no funding program or mechanism to assist homeowners replacing failing systems or installing new systems.

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**Minnesota:** Onsite wastewater regulations are split between one or more agencies in Minnesota. State rule requires counties to adopt local ordinances “containing minimum standards and criteria for the design, location, installation, use, maintenance, and closure of subsurface sewage treatment systems (SSTS).” The Minnesota Pollution Control Agency (MPCA) administers the statewide rule regarding onsite sewage treatment systems and licensing program for onsite professionals. A funding program is available to assist homeowners to replace failing systems or install new systems. In 2004, 39 percent of all Minnesota septic systems were failing. In 2015, the legislature passed regulations requiring permits and regular inspections to be conducted once every three years for existing systems. Permit fees cover the program costs. A funding program is available to assist low-income homeowners to replace failing systems or install new systems.

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