#### SB 84-FN - AS INTRODUCED

### 2011 SESSION

11-0933 06/04

SENATE BILL 84-FN

AN ACT relative to state regulation of the septic system installation process.

SPONSORS: Sen. Groen, Dist 6; Sen. Sanborn, Dist 7; Sen. Lambert, Dist 13; Sen. Forsythe,

Dist 4; Sen. Barnes, Jr., Dist 17; Sen. Carson, Dist 14

COMMITTEE: Energy and Natural Resources

### **ANALYSIS**

This bill transfers the authority to approve septic system design and installations from the department of environmental services to municipalities.

Explanation: Matter added to current law appears in **bold italics**.

Matter removed from current law appears [in brackets and struckthrough.]

Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

#### STATE OF NEW HAMPSHIRE

### In the Year of Our Lord Two Thousand Eleven

AN ACT relative to st

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relative to state regulation of the septic system installation process.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 New Subdivision; Plumbing Inspectors. Amend RSA 41 by inserting after section 46-a the following new subdivision:

3 Plumbing Inspectors

- 41:46-b Plumbing Inspectors; Appointment. The governing body of each municipality shall appoint one or more plumbing inspectors who need not be residents of the municipality for which they are appointed. The governing body shall notify the department of environmental services of the appointment of a plumbing inspector in writing within 30 days of the appointment. Compensation of plumbing inspectors shall be determined by the governing body and paid by the municipality.
- 2 New Section; Sewage Disposal Systems; Definitions. Amend RSA 485-A by inserting after section 29 the following new section:
  - 485-A:29-a Definitions. In this subdivision:
- I. "Major system" means a sewage disposal system that uses 2,500 gallons or more of water per day.
  - II. "Minor system" means a sewage disposal system that uses less than 2,500 gallons of water per day.
  - 3 Sewage Disposal Systems; Submission and Approval of Plans and Specifications. Amend RSA 485-A:29 to read as follows:
    - 485-A:29 Submission and Approval of Plans and Specifications.
  - I. Any person proposing [either] to subdivide land, except as provided in RSA 485-A:33, [exto construct a sewage or waste disposal system,] shall submit 2 copies of such locally approved plans as are required by the local planning board or other local body having authority for the approval of any such subdivision of land, which is subject to department approval, [and 2 copies of plans and specifications for any sewage or waste disposal systems which will be constructed on any subdivision or lot] for approval in accordance with the requirements of the department as provided in this paragraph. In the event that such subdivision plans which receive final local approval differ from the plans which are reviewed by the department, the person proposing the subdivision shall resubmit those plans to the department for re-approval. The planning board or other local body having final local approval authority shall submit one copy of such plans which receive final local approval to the department for informational purposes within 30 days of granting such final approval. The department shall adopt rules, pursuant to RSA 541-A, relative to the submission of plans and specifications as necessary to effect the purposes of this subdivision. The rules shall

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specify when and where the plans and specifications are to be submitted, what details, data, and information are to be contained in the plans and specifications, including the location of known burial sites or cemeteries within or adjacent to the property on which the proposed sewage or waste disposal system is to be located, what tests are to be required, what standards, guidelines, procedures, and criteria are to be applied and followed in constructing any sewage or waste disposal system, and other related matters. The rules shall also establish the methodology and review process for approval of innovative/alternative wastewater treatment systems and for approval of a plan for operation, maintenance, and financial responsibility for such operations. For any part or parts of the subdivisions where construction or waste disposal is not contemplated, only the lot lines, property boundaries drawn to scale, and general soil and related data shall be required. The constructed sewage or waste disposal systems shall be in strict accordance with approved plans, and the facilities shall not be covered or placed in operation without final inspection and approval by an authorized agent of the department in the case of a major system, or by the plumbing inspector of the municipality where the system is located in the case of a minor system. All inspections by the department shall be accomplished within 7 business days and all inspections by the plumbing inspector shall be accomplished within 24 hours after receipt of written notification from the builder that the system is ready for inspection. Plans and specifications need not be submitted for subdivision approval for subdivisions consisting of the division of a tract or parcel of land exclusively in lots of 5 or more acres in area. The presence of hydric soils on lots of 5 or more acres in area shall be insufficient, without additional supporting data, to classify these lots as wetlands, or to make such lots unsuitable for sewage or waste disposal systems designed for poorly drained soils. This exemption in no way relieves any person from responsibility for obtaining approval under this chapter for construction of individual or other sewage or waste disposal systems or both in any exempted lots. In such cases, it shall be the responsibility of the subdivider to provide to the lot purchasers satisfactory assurance as the purchasers may require at the time of sale that lots sold shall be adequate to support individual sewage or waste disposal systems or both in accordance with rules adopted by the department and the requirements of this subdivision.

I-a Any person proposing to construct a minor sewage or waste disposal system shall submit a design request to a permitted septic system designer who meets the requirements of RSA 485-A:35. The plans and specifications of any sewage or waste disposal system designed by a permitted designer shall be deemed to be approved by the department. The department shall adopt rules, pursuant to RSA 541-A, relative to the training of permitted designers, and plans and specifications necessary to effect the purposes of this subdivision. The rules shall specify what details, data, and information are to be contained in the plans and specifications, including the location of known burial sites or cemeteries within or adjacent to the property on which the proposed sewage or waste disposal system is to be located, what tests are to be required, what standards,

guidelines, procedures, and criteria are to be applied and followed in constructing any sewage or waste disposal system, and other related matters. The constructed sewage or waste disposal systems shall be in strict accordance with approved plans, and the facilities shall not be covered or placed in operation without final inspection and approval by the plumbing inspector of the municipality where the system is located. All inspections of the installation shall be accomplished by the plumbing inspector within 24 hours after receipt of written notification from the builder that the system is ready for inspection.

- II. Permitted designers of subsurface sewage disposal systems shall obtain and include on the plans the registry of deeds volume and page numbers for each lot that relates to the septic system application [and provide them to the department]. The department shall develop and approve an outline of brief instructions for the periodic maintenance, care, and proper usage of waste disposal systems, including a warning of the potential public health hazard and pollution of public and private water supplies and surface water of the state from improperly maintained sewage and waste disposal systems.
- III. [The department shall not approve any] No plan which will cause a violation of the setback requirements in RSA 289:3, III shall be approved.
  - 4 Fees. Amend RSA 485-A:30 to read as follows:

- I. Any person submitting plans and specifications for a subdivision of land shall pay to the department a fee of \$300 per lot. Said fee shall be for reviewing such plans and specifications and making site inspections. Any person submitting plans and specifications for *major* sewage or waste disposal systems shall pay to the department a fee of \$290 for each system. Said fee shall be for reviewing such plans and specifications, making site inspections, the administration of sludge and septage management programs, and for establishing a system for electronic permitting for waste disposal systems, subdivision plans, and for permits and approvals under the department's land regulation authority. The fees required by this paragraph shall be paid at the time said plans and specifications are submitted and shall be deposited in the subsurface systems fund established in paragraph I-b. For the purposes of this paragraph, the term "lot" shall not include tent sites or travel trailer sites in recreational parks which are operated on a seasonal basis for not more than 9 months per year.
  - I-a. In addition to fees required under paragraph:
- (a) Any person [submitting] requesting plans and specifications for major sewage or waste disposal systems shall pay to the department a fee of \$10 for each system for use in the septage handling and treatment facilities grant program to municipalities under RSA 486:3, III. Until July 1, 2010, the fees required by this paragraph shall be paid at the time said plans and specifications are [submitted] requested and shall be deposited in the subsurface systems fund established in paragraph I-b. After July 1, 2010, the fees required by this paragraph shall be paid at

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the time said plans and specifications are [submitted] requested and shall be deposited in the septage management fund established in paragraph I-c.

- (b) Any person requesting final inspection and approval by the plumbing inspector of a minor sewage or waste disposal system shall pay \$100 to the municipality, \$25 of which shall be transferred to the department.
- I-b. There is hereby established the subsurface systems fund into which the fees collected under paragraph I shall be deposited. The fund shall be a separate, nonlapsing fund, continually appropriated to the department for the purpose of paying all costs and salaries associated with the subsurface systems program.
- I-c. There is hereby established the septage management fund into which the fees [collected] received by the state under paragraph I-a shall be deposited. The fund shall be a separate, nonlapsing fund, continually appropriated to the department for the purpose of paying costs associated with the septage handling and treatment facilities grant program or for research, engineering analysis, or septage sampling and analysis by the department to advance septage management in the state of New Hampshire.

#### II. [Repealed].

- III. Any person submitting plans and specifications as a resubmission for reapproval of such shall not be required to pay any additional fee under RSA 485-A:30, I or I-a if changes to such plans and specifications would not constitute a new subdivision under the provisions of RSA 485-A:2, XIII.
  - 5 Notice Requirements; Encroachment Waivers. Amend RSA 485-A:30-a to read as follows: 485-A:30-a Notice Requirements; Encroachment Waivers.
- I.(a) Any person [intending to submit an application for approval of a sewage or waste disposal system, which application will include a request for an encroachment waiver,] who requires an encroachment waiver for a sewage or waste disposal system shall notify the local code enforcement officer or other appropriate designated authority and all abutters as defined in RSA 672:3 that the person intends to file the application. Such notification shall include:
  - (1) The name and address of the property owner.
- (2) Identification of the property for which an encroachment waiver is being requested, including tax map and lot numbers.
  - (3) Names of abutters, together with applicable tax map and lot numbers.
  - (4) A description of the specific waivers being requested.
  - (5) A reasonable facsimile of the plan.
- (6) Identification of any local code or ordinance for which a waiver, variance or exception is required, and whether such waiver, variance or exception has been obtained.
- (7) Notice that the department is required by law to act on the application within 15 working days of receipt of the application, and that objections to the proposed encroachment waiver may be submitted to the department during the review process or by filing a motion for

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reconsideration of the decision with the department within 20 days of the department's decision on the application.

- (b) Encroachment waiver requests shall appear on the plans. No [application] plan which includes any request for an encroachment waiver shall be accepted by the department in the case of a major system or by the plumbing inspector in the case of a minor system unless the [application] plan includes a copy of the notice, a list of the names and addresses of the abutters to whom the notice was mailed, and a statement signed by the applicant or property owner certifying that the notices were sent by certified mail to the abutters listed.
- II. No construction permit shall be issued for a septic system until the department has received a copy of the recorded notice showing that all easements and encroachment waivers associated with the application have been recorded by the property owner in the registry of deeds.
  - 6 Protective Well Radii. Amend RSA 485-A:30-b, I(d) and (e) to read as follows:
- (d) Any [person submitting plans and specifications for] permitted designer who designs a sewage or waste disposal system for a property which is or will be served by an on-lot well, shall show the location or proposed location of the well, or a designated area within which the well will be located, on such plans and shall show the protective radius as specified in the department's rules.
- (e) Whenever the department approves a septic plan, or a permitted designer designs a septic plan with an on-lot well radius which is less than the optimum standard, the department or such designer shall notify the applicant of the consequences of such reduced radius and advise the applicant whether special precautions should be taken relative to well installation.
  - 7 Action on Applications. Amend RSA 485-A:31, I to read as follows: 485-A:31 Action on Applications.
- I. Subject to paragraphs II and III, the department shall give notice in writing to the person submitting the plans and specifications for subdivision of land of its approval or disapproval of such plans and specifications within 30 days of the date such plans and specifications and the required fees are received by the department and shall give notice in writing to the person submitting plans and specifications for *major* sewage or waste disposal systems of its approval or disapproval of such plans and specifications within 15 working days of the date such plans and specifications and the required fees are received by the department. Unless such written disapproval shall be mailed to the person submitting plans and specifications within 30 days in the case of plans and specifications for subdivision of land and 15 working days in the case of plans and specifications for *major* sewage or waste disposal systems from the date of receipt with the required fees by the department, the plans and specifications shall be deemed to have been approved. The department shall send a copy of the approval or disapproval of such plans and specifications to the planning board or board of selectmen of the affected municipality.
  - 8 Prior Approval; Permits. Amend RSA 485-A:32 to read as follows:

- I. No person shall construct any building from which sewage or other wastes will discharge or construct a sewage or waste disposal system without prior approval of the plans and specifications of the sewage or waste disposal system by the department in the case of major systems, or the plumbing inspector of the affected municipality in the case of minor systems. Nothing herein shall be construed to modify or lessen the powers conferred upon local authorities by other statutes; provided, however, that in all instances the requirements contained in this chapter shall be considered as minimum.
- II. Any person submitting an application and plans for construction approval to the department shall also certify in writing that he or she has complied with all local government requirements as relate to water supply and sewage disposal which must be complied with prior to application to the department of environmental services in those municipalities where regulations require prior local approval; and, at the same time, a copy of the certification shall be sent to the board of selectmen of the town or the city council of the city.
- III. No person required to submit subdivision plans pursuant to paragraph I shall commence the construction of roads within the lot, tract, or parcel proposed to be subdivided, by clearing the land thereof of natural vegetation, placing any artificial fill thereon, or otherwise altering the land, nor shall he *or she* do any other act or acts which will alter the natural state of the land or environment, unless the subdivision plan relating thereto has been submitted and approved in accordance with the requirements of this chapter. Nothing in this paragraph shall be construed to prevent the taking of test borings, the digging of test pits, or any other preliminary testing and inspection necessary to comply with the requirements of the department of environmental services relative to information necessary for review and approval of the subdivision plans.
  - 9 Soil Testing; Inspections. Amend RSA 485-A:34, III and IV to read as follows:
- III. In all cases involving inspection of *minor* sewage or waste disposal systems [in cities or towns which employ a full time health officer and/or building inspector, the department may delegate to such officer or inspector the responsibility for inspecting] the plumbing inspector of the affected municipality shall inspect the proposed system as required under paragraph I of this section. [In cities and towns which do not maintain full time health officers and/or building inspectors, the department may delegate the responsibility for such inspections to any local official deemed qualified by the department to fulfill the requirements of paragraph I of this section.] All inspections [delegated by the department] under this paragraph [to health officers, building inspectors or any other local officials] shall be accomplished within [2 business days] 24 hours after receipt of written notification from the builder that such system is ready for inspection.
- IV. The department *or plumbing inspector* may reject applications for septic tank disposal systems in those areas where there is already a high concentration of septic tanks on adjacent, contiguous, or nearby areas or if the application is an obvious expansion, addition, or annexation to

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an area which has already reached the maximum allowable concentration of sewage disposal through septic tanks and leaching systems.

10 Permit Eligibility. Amend RSA 485-A:35, I(a) to read as follows:

- (a) [All applications, plans, and specifications submitted in accordance with this chapter for subsurface sewage or waste disposal systems shall be prepared and signed by the individual who is directly responsible for them and who has a permit issued by the department to perform the work.] The department shall issue a permit to any [individual] designer who applies to the department, pays a fee of \$80, and demonstrates a sound working knowledge of the procedures and practices required in the site evaluation, design, and operation of subsurface sewage or waste disposal systems. The department shall require an oral or written examination or both to determine who may qualify for a permit. Permits shall be issued from January 1 and shall expire December 31 of every other year, subject to the grace periods specified in subparagraphs (c) and (d). Permits shall be renewable upon proper application, payment of a biennial permit fee of \$80, and documentation of compliance with the continuing education requirement of subparagraph (b). A permit issued to any [individual] designer may be suspended, revoked, or not renewed only for just cause and after the permit holder has had a full opportunity to be heard by the department. An appeal from a decision to revoke, suspend, or not renew a permit may be taken pursuant to RSA 541. All fees shall be deposited in the subsurface systems fund established in RSA 485-A:30, I-b.
  - 11 Permit Eligibility. Amend RSA 485-A:35, I(e) to read as follows:
- (e) No [individual] designer whose permit has been suspended or voided pursuant to subparagraph (d) shall [submit any] design [to the department for a] any subsurface sewage or waste disposal system for any person proposing to construct a sewage or waste disposal system under this subdivision. [Submittal of such a design after the designer's permit has been suspended or voided pursuant to subparagraph (d) shall constitute] A violation of the provisions of this [subdivision that] paragraph is subject to the penalties specified in RSA 485-A:43.
- 12 Conveyances of Realty; Notification Required; Subsurface Disposal Systems. Amend RSA 477:4-b to read as follows:
- 477:4-b Notification Required; Subsurface Disposal Systems. Any person seeking to [obtain approval for] install a subsurface sewage disposal system shall meet the requirements set forth in RSA 485-A:29 and 30.
- 13 New Section; Reconsideration and Appeal Procedure. Amend RSA 485-A by inserting after section 50 the following new section:
- 485-A:50-a Reconsideration and Appeal Procedure. Any municipality aggrieved or dissatisfied with any annual assessment levied against it under the provisions of this section may file a motion for reconsideration by the department and shall have a right of appeal from the decision of the department in the following manner:

I. Within 20 days after any decision of the department, such may apply to the department for reconsideration by the department of its decision, specifying in the motion for reconsideration the grounds therefor, and the department may reconsider and revise its decision if in the opinion of the department good reason therefor is stated in said motion.

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- II. Such motion shall set forth fully every ground upon which it is claimed that the decision of the department is unlawful or unreasonable. No appeal from any decision of the department shall be taken unless the appellant shall have made application for reconsideration as provided in this section, and when such application shall have been made, no ground not set forth in such application shall be urged, relied on, or given any consideration by the court, unless the court for good cause shown shall allow the appellant to specify additional grounds.
- III. Upon the filing of a motion for reconsideration, the department shall within 30 days either grant or deny the motion, and, at the same time, shall affirm, modify, or reverse its decision.
- IV. Within 30 days after the application for reconsideration is denied, or if the application is granted, then within 30 days after the decision on such reconsideration, the applicant may appeal by petition to the superior court.
- V. Upon the hearing, the burden of proof shall be upon the municipality seeking to set aside the decision of the department to show that the same is unreasonable or unlawful, and all findings of the department upon all questions of fact properly before it shall be deemed to be prima facie lawful and reasonable; and the order or decision appealed from shall not be set aside or vacated, except for errors of law, unless the court is persuaded by the balance of probabilities, on the evidence before it, that the decision is unjust or unreasonable.
- VI. Any person whose rights may be directly affected by said appeal may appear and become a party, or the court may order such persons to be joined as parties as justice may require.
- VII. Upon the filing of an appeal, the clerk of court shall issue an order of notice requiring a certified copy of the record appealed from to be filed with the court. The filing of an appeal shall not suspend the decision appealed from, unless the court, on application and for good cause shown, shall grant a restraining order.
- VIII. All evidence transferred by the department shall be, and all additional evidence received may be, considered by the court regardless of any technical rules which might have rendered the same inadmissible if originally offered in the trial of an action at law.
- IX. The final judgment upon every appeal shall be a decree dismissing the appeal, or vacating the decision complained of in whole or in part, as the case may be; but in case such decision is wholly or partly vacated the court may also, in its discretion, remand the matter to the department for such further proceedings, not inconsistent with the decree, as justice may require.
- X. An order of the court to send up the record may be complied with by filing either the original papers or duly certified copies, or of such portions of such papers, as the order may specify,

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together with a certified statement of such other facts as show the grounds of the action appealed

- 3 XI. The court may take evidence or appoint a referee to take such evidence as it may direct and report the same with his findings of fact and conclusions of law. 4 5 XII. Costs shall not be allowed against the department unless it shall appear to the court 6 that it acted with gross negligence, or in bad faith, or with malice in making the decision appealed 7 from. 8 XIII. All proceedings under this section shall be entitled to a speedy hearing. If such 9 hearing cannot be had within 30 days after the filing of the appeal, upon request of the appellant the 10 matter shall be referred to a master.
- 11 14 Repeal. The following are repealed:

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from.

- I. RSA 485-A:40, relative to reconsideration and appeal procedure.
- II. RSA 485-A:50, VII relative to reconsideration and appeal.
- 14 15 Effective Date. This act shall take effect January 1, 2012.

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LBAO 11-0933 Revised 09/13/11

#### **SB 84 FISCAL NOTE**

AN ACT

relative to state regulation of the septic system installation process.

#### FISCAL IMPACT:

The Department of Environmental Services states state general fund expenditures will increase by \$348,520 in FY 2012, state restricted revenue and expenditures will decrease by \$512,113 in FY 2012 and by \$1,024,225 in FY 2013 and each year thereafter, local revenue will increase by \$142,763 in FY 2012 and \$285,525 in FY 2013 and each year thereafter, and local expenditures will increase by an indeterminable amount in FY 2012 and each year thereafter. The New Hampshire Municipal Association states this bill may increase local revenue and expenditures by an indeterminable amount in FY 2012 and each year thereafter. There is no fiscal impact on county expenditures or revenue.

The Office of Legislative Budget Assistant is awaiting information from the Judicial Branch relative to the potential fiscal impact of this bill. The Branch was initially contacted on 01/22/11 and most recently contacted on 06/12/11.

### **METHODOLOGY:**

The Department of Environmental Services states this bill will transfer the authority to approve septic system design and installations of sewage disposal systems using less than 2,500 gallons of water per day from the Department to municipalities. The Department assumes this bill will take effect January 1, 2012. The Department estimates the reduction in application fees will result in the need to lay off 10 full time employees paid by the subsurface fund. The Department states the subsurface fund will not have sufficient funds to cover the costs associated with payouts for the 10 lay offs and assumes the general fund would cover these costs (\$314,285) in FY 2012. The Department also assumes the general fund would cover costs associated with payments to the department of information technology (\$20,915) and the department of administrative services for general services (\$13,320) in FY 2012. The Department estimates the total general fund expenditure increase to be \$348,520 in FY 2012. The Department estimates this bill will decrease state restricted revenue and expenditures from \$1,744,890 to \$720,665, a decrease of \$1,024,225 annually. This is based on the assumption that activity level FY 2012 through FY 2015 will be consistent with activity level of FY 2010: 3,807 inspections, 1,504 subdivision lots, and 58 inspections of major systems (flows

greater than 2,500 gallons per day) as well as 50% of the designer/installer certification fees. This bill directs inspections will be a fee of \$100, with \$75 going to a municipality and \$25 to the state. Local revenue will increase by \$285,525 (\$75 \* 3,807) annually. The Department states county expenditures may be impacted to the extent they are charged fees associated with permit application for new system design and installation. The Department states the counties do not have any of these charges in a typical year.

The New Hampshire Municipal Association states this legislation not only transfers the responsibility of approving system design and installation of sewage disposal systems to municipalities and requires the appointing of a plumbing inspector but also establishes a reconsideration and appeal procedure for any municipality within the Winnipesaukee River Basin Program that disputes the annual assessment for its proportionate share of the costs of the program. The Association states local expenditures and revenue may increase by an indeterminable amount in FY 2012 and each year thereafter as result of the transferring the inspection functions from the Department to the municipalities. The Association indicates there are already processes in law to address reconsideration and appeal concerns, thus there is no fiscal impact anticipated on revenue and expenditures.