

Michigan Office of Administrative Hearings and Rules

Administrative Rules Division (ARD)

611 W. Ottawa Street

Lansing, MI 48909

Phone: 517-335-8658 Fax: 517-335-9512

**REGULATORY IMPACT STATEMENT
and COST-BENEFIT ANALYSIS (RIS)**

Agency Information:

Department name:

Licensing and Regulatory Affairs

Bureau name:

Bureau of Construction Codes

Name of person filling out RIS:

Amanda Johnson

Phone number of person filling out RIS:

517-241-3408

E-mail of person filling out RIS:

JohnsonA39@michigan.gov

Rule Set Information:

ARD assigned rule set number:

2019-117 LR

Title of proposed rule set:

Part 7 Plumbing Code Rules

Comparison of Rule(s) to Federal/State/Association Standard:

1. Compare the proposed rules to parallel federal rules or standards set by a state or national licensing agency or accreditation association, if any exist.

There are no federal rules or standards that regulate construction codes. The proposed rules update the Part 7 Plumbing Code of the General Rules of the Construction Code as mandated by 1972 PA 230.

A. Are these rules required by state law or federal mandate?

There are no federal rules or standards that regulate construction codes. The proposed rules update the Part 7 Plumbing Code of the General Rules of the Construction Code as mandated by 1972 PA 230. MCL 125.1504(5) states that the director shall add, amend, and rescind rules to update the Michigan plumbing code not less than once every 3 years to coincide with the national code change cycle.

B. If these rules exceed a federal standard, please identify the federal standard or citation, describe why it is necessary that the proposed rules exceed the federal standard or law, and specify the costs and benefits arising out of the deviation.

There are no federal rules that regulate construction codes.

2. Compare the proposed rules to standards in similarly situated states, based on geographic location, topography, natural resources, commonalities, or economic similarities.

The proposed rules incorporate by reference the 2018 edition of the International Plumbing Code (IPC) with Michigan amendments, additions, or deletions published by the International Code Council (ICC). The states that border the Great Lakes who follow the International Plumbing Code are Ohio and Indiana. Currently Indiana is using the 2012 International Plumbing Code, and Ohio has adopted the 2015 International Plumbing code. Michigan is currently adopting the 2018 International Plumbing Code; which makes our code more up to date, but there are similarities in regulations between Michigan, Ohio, and Indiana.

A. If the rules exceed standards in those states, please explain why and specify the costs and benefits arising out of the deviation.

The IPC is a nationally recognized model code used throughout the United States as a minimum standard for plumbing installations. Michigan is adopting the 2018 International Plumbing Code; which makes our rules more up to date, but besides that Michigan's rules do not exceed standards in these states.

3. Identify any laws, rules, and other legal requirements that may duplicate, overlap, or conflict with the proposed rules.

There are no federal, state, or local laws, rules, or other legal requirements that may duplicate, overlap, or conflict with the proposed rules.

A. Explain how the rules have been coordinated, to the extent practicable, with other federal, state, and local laws applicable to the same activity or subject matter. This section should include a discussion of the efforts undertaken by the agency to avoid or minimize duplication.

There are no federal, state, or local laws, rules, or other legal requirements that may duplicate, overlap, or conflict with the proposed rules.

4. If MCL 24.232(8) applies and the proposed rules are more stringent than the applicable federally mandated standard, a statement of specific facts that establish the clear and convincing need to adopt the more stringent rules and an explanation of the exceptional circumstances that necessitate the more stringent standards is required.

There are no federal rules or standards that regulate construction codes. The proposed rules update the Part 7 Plumbing Code, of the General Rules of the Construction Code as mandated by 1972 PA 230.

5. If MCL 24.232(9) applies and the proposed rules are more stringent than the applicable federal standard, either the statute that specifically authorizes the more stringent rules or a statement of the specific facts that establish the clear and convincing need to adopt the more stringent rules and an explanation of the exceptional circumstances that necessitate the more stringent standards is required.

There are no federal rules or standards that regulate construction codes. The proposed rules update the Part 7 Plumbing Code, of the General Rules of the Construction Code as mandated by 1972 PA 230.

6. Identify the behavior and frequency of behavior that the proposed rules are designed to alter.

R 408.30701, R 408.30711, R 408.30712, R 408.30715, R 408.30717, R 408.30718, R 408.30719, R 408.30741c and R 408.30791 are administrative in nature and are amended to bring the administrative application of the Michigan Plumbing Code rules in line with actual practices. These rules protect the health, safety, and welfare of Michigan citizens by preventing improper installations of plumbing systems.

R 408.30726 Section 702.3 is being amended to add in the building sewer pipe material and standard table. Section 703.2 is amended to clarify that where a building sewer or building drain is installed on filled or unstable ground, the drainage pipe shall conform to one of the standards.

R 408.30727 Section 605.4 is being amended to add the water distribution pipe material and standards table.

R 408.30729 Section 605.3 is being amended to add the water service pipe materials and standards table. Section 609.3 is amended to clarify that hot water shall be provided to supply all of the hospital fixture, kitchen, and laundry requirements. Special fixtures and equipment shall have hot water supplied at a temperature specified by the manufacturer. The hot water system shall be installed in accordance with section 607.R 408.30755. Section 1102.4 is being amended to add the building storm sewer pipe table.

R 408.30757 is being amended to add that a base stack cleanout shall be provided at the base of each waste or soil stack.

A. Estimate the change in the frequency of the targeted behavior expected from the proposed rules.

These rules are administrative in nature R 408.30701, R 408.30711, R 408.30712, R 408.30715, R 408.30717, R 408.30718, R 408.30719, R 408.30741c and R 408.30791. They are amended to bring the administrative application of the Michigan Plumbing Code rules in line with actual practices. These rules protect the health, safety, and welfare of Michigan citizens by preventing improper installations of plumbing systems. The amendments clarify code requirements which will make compliance less burdensome.

R 408.30726, R 408.30727, R 408.30729, and R 408.30755 are amended to add in new material and standards table and added to clarify certain requirements.

R 408.30757 is amended to clarify the requirements for base stack cleanout.

B. Describe the difference between current behavior/practice and desired behavior/practice.

The desired behavior for R 408.30701, R 408.30711, R 408.30712, R 408.30715, R 408.30717, R 408.30718, R 408.30719, R 408.30741c and R 408.30791 is to streamline the actual practices and make sure they are consistent with the Michigan Plumbing Code .

The desired behavior for R 408.30726, R 408.30727, R 408.30729, R 408.30755, and R 408.30757 is to have an easier and better understanding of the rules with more clarification and interpretation.

C. What is the desired outcome?

The desired outcome is to bring the administrative application of the Michigan Plumbing Code rule set in line with actual practices. To eliminate unnecessary requirements in the code and to have an easier interpretation and clarification of these codes.

7. Identify the harm resulting from the behavior that the proposed rules are designed to alter and the likelihood that the harm will occur in the absence of the rule.

There is no harm anticipated from behavior related to the proposed rules and there is little likelihood that harm will occur in the absence of the proposed rules.

A. What is the rationale for changing the rules instead of leaving them as currently written?

The purpose of the proposed rules is to give greater clarity to the code and to continue to protect public health and safety.

8. Describe how the proposed rules protect the health, safety, and welfare of Michigan citizens while promoting a regulatory environment in Michigan that is the least burdensome alternative for those required to comply.

R 408.30701, R 408.30711, R 408.30712, R 408.30715, R 408.30717, R 408.30718, R 408.30719, R 408.30741c and R 408.30791 are administrative in nature and are amended to bring the administrative application of the Michigan Plumbing Code rules in line with actual practices. These rules protect the health, safety, and welfare of Michigan citizens by preventing improper installations of plumbing systems. The amendments clarify code requirements which will make compliance less burdensome.

R 408.30726 Section 702.3 is being amended to add in the building sewer pipe material and standard table. Section 703.2 is amended to clarify that where a building sewer or building drain is installed on filled or unstable ground, the drainage pipe shall conform to one of the standards.

R 408.30727 Section 605.4 is being amended to add the water distribution pipe material and standards table.

R 408.30729 Section 605.3 is being amended to add the water service pipe materials and standards table. Section 609.3 is amended to clarify that hot water shall be provided to supply all of the hospital fixture, kitchen and laundry requirements. Special fixtures and equipment shall have hot water supplied at a temperature specified by the manufacturer. The hot water system shall be installed in accordance with section 607.

R 408.30755 Section 1102.4 is being amended to add the building storm sewer pipe table. This table is being adopted from the code and will help plumbers understand the standards for building storm sewer pipes.

R 408.30757 is being amended to add that a base stack cleanout shall be provided at the base of each waste or soil stack. This rule use to be in our code but was taken out in 2015. We are adding this rule back in because it makes it easier for plumbers when a cleanout is provided at the base of waste or soil stacks.

9. Describe any rules in the affected rule set that are obsolete or unnecessary and can be rescinded.

R 408.30720 and R 408.30757a are rescinded because they are unnecessary and not up to date.

10. Please provide the fiscal impact on the agency (an estimate of the cost of rule imposition or potential savings for the agency promulgating the rule).

There is no additional fiscal impact to the agency beyond the current operational costs.

11. Describe whether or not an agency appropriation has been made or a funding source provided for any expenditures associated with the proposed rules.

The proposed rules will not result in additional fiscal impact on the agency. Thus, there is no need for an additional appropriation or funding source as a result of the changes to the rules.

12. Describe how the proposed rules are necessary and suitable to accomplish their purpose, in relationship to the burden(s) the rules place on individuals. Burdens may include fiscal or administrative burdens, or duplicative acts.

R 408.30701, R 408.30711, R 408.30712, R 408.30715, R 408.30717, R 408.30718, R 408.30719, R 408.30741c and R 408.30791 are administrative in nature and are being amended to bring the administrative application of the Michigan Plumbing Code rules in line with the actual practices.

A. Despite the identified burden(s), identify how the requirements in the rules are still needed and reasonable compared to the burdens.

The amendments will clarify code requirements which will make compliance less burdensome.

13. Estimate any increase or decrease in revenues to other state or local governmental units (i.e. cities, counties, school districts) as a result of the rule. Estimate the cost increases or reductions for other state or local governmental units (i.e. cities, counties, school districts) as a result of the rule. Include the cost of equipment, supplies, labor, and increased administrative costs in both the initial imposition of the rule and any ongoing monitoring.

There is no anticipated increase or decrease in revenues to other state or local governmental units as a result of the proposed rules. There is no anticipated increase or decrease in revenues to other state or local governmental units as a result of the proposed rules.

14. Discuss any program, service, duty, or responsibility imposed upon any city, county, town, village, or school district by the rules.

The proposed rules do not impose any program, service, duty, or responsibility on any city, county, town, village, or school district.

A. Describe any actions that governmental units must take to be in compliance with the rules. This section should include items such as record keeping and reporting requirements or changing operational practices.

The proposed rules do not require any additional or new responsibilities on behalf of governmental units to be in continued compliance with the rules.

15. Describe whether or not an appropriation to state or local governmental units has been made or a funding source provided for any additional expenditures associated with the proposed rules.

There is no appropriation to state or local governmental units required.

16. In general, what impact will the rules have on rural areas?

The proposed rules do not have any impact on rural areas.

A. Describe the types of public or private interests in rural areas that will be affected by the rules.

The proposed rules do not have any impact on public or private interests in rural areas.

17. Do the proposed rules have any impact on the environment? If yes, please explain.

The proposed rules do not have any impact on the environment.

18. Describe whether and how the agency considered exempting small businesses from the proposed rules.

The proposed rules provide no disproportionate economic impact on small businesses. Small business would not be exempt from these rules.

19. If small businesses are not exempt, describe (a) the manner in which the agency reduced the economic impact of the proposed rules on small businesses, including a detailed recitation of the efforts of the agency to comply with the mandate to reduce the disproportionate impact of the rules upon small businesses as described below (in accordance with MCL 24.240(1)(a-d)), or (b) the reasons such a reduction was not lawful or feasible.

Small businesses are not anticipated to be adversely affected by the change to R 408.30701, R 408.30711 and R 408.30791 as these rules are for greater clarity of the code.

A. Identify and estimate the number of small businesses affected by the proposed rules and the probable effect on small businesses.

Generally, the bureau does not expect small businesses to be affected by these proposed rules.

B. Describe how the agency established differing compliance or reporting requirements or timetables for small businesses under the rules after projecting the required reporting, record-keeping, and other administrative costs.

It is not practical to establish differing compliance or reporting requirements or timetables for small businesses.

Small businesses are not expected to be adversely affected by these rules. There are no additional reporting, record keeping, or other administrative costs associated with the implementation of the proposed rules.

C. Describe how the agency consolidated or simplified the compliance and reporting requirements for small businesses and identify the skills necessary to comply with the reporting requirements.

The compliance and reporting requirements are unchanged.

D. Describe how the agency established performance standards to replace design or operation standards required by the proposed rules.

The agency did not establish performance standards to replace design or operation standards.

20. Identify any disproportionate impact the proposed rules may have on small businesses because of their size or geographic location.

The proposed rules have no disproportionate impact on small businesses because of their size or geographic location.

21. Identify the nature of any report and the estimated cost of its preparation by small businesses required to comply with the proposed rules.

There are no reports required for small business to comply with the proposed rules.

22. Analyze the costs of compliance for all small businesses affected by the proposed rules, including costs of equipment, supplies, labor, and increased administrative costs.

There is no additional cost of compliance for small business because of these rules.

23. Identify the nature and estimated cost of any legal, consulting, or accounting services that small businesses would incur in complying with the proposed rules.

There are no legal, consulting, or accounting service costs that small businesses would incur in complying with the proposed rules.

24. Estimate the ability of small businesses to absorb the costs without suffering economic harm and without adversely affecting competition in the marketplace.

There are no additional costs or harm anticipated with the proposed rules.

25. Estimate the cost, if any, to the agency of administering or enforcing a rule that exempts or sets lesser standards for compliance by small businesses.

The proposed rules do not exempt or set lesser standards for compliance by small businesses. There is no additional cost to the agency beyond the current operational cost.

26. Identify the impact on the public interest of exempting or setting lesser standards of compliance for small businesses.

Exempting or setting lesser standards of compliance for small business with respect to these rules may have a negative effect on the health, safety, and welfare of the citizens of the State of Michigan.

27. Describe whether and how the agency has involved small businesses in the development of the proposed rules.

The bureau involved small businesses through the rules review committee process.

A. If small businesses were involved in the development of the rules, please identify the business(es).

Small business participation on the committee included plumbing contractors, engineers, plumbing suppliers, and the general public.

28. Estimate the actual statewide compliance costs of the rule amendments on businesses or groups.

The proposed rules will not result in statewide compliance costs of these rule amendments on businesses or groups.

A. Identify the businesses or groups who will be directly affected by, bear the cost of, or directly benefit from the proposed rules.

There will be no businesses or groups who will be directly affected by, bear the cost of, or directly benefit from the proposed rules.

B. What additional costs will be imposed on businesses and other groups as a result of these proposed rules (i.e. new equipment, supplies, labor, accounting, or recordkeeping)? Please identify the types and number of businesses and groups. Be sure to quantify how each entity will be affected.

The proposed rules will not add any additional costs on businesses and other groups.

29. Estimate the actual statewide compliance costs of the proposed rules on individuals (regulated individuals or the public). Include the costs of education, training, application fees, examination fees, license fees, new equipment, supplies, labor, accounting, or recordkeeping.

The proposed rules will not result in statewide compliance costs of these rule amendments on businesses or groups.

A. How many and what category of individuals will be affected by the rules?

This proposed ruleset will not affect any category of individuals.

B. What qualitative and quantitative impact do the proposed changes in rules have on these individuals?

The proposed rules will not have a qualitative or quantitative impact on individuals.

30. Quantify any cost reductions to businesses, individuals, groups of individuals, or governmental units as a result of the proposed rules.

There are no cost reductions to businesses, individuals, groups of individuals, or governmental units as a result of the proposed rules.

31. Estimate the primary and direct benefits and any secondary or indirect benefits of the proposed rules. Please provide both quantitative and qualitative information, as well as your assumptions.

R 408.30701, R 408.30711, R 408.30712, R 408.30715, R 408.30717, R 408.30718, R 408.30719, R 408.30741c and R 408.30791 are anticipated to provide greater clarity to the code and an increase in the health and safety to the public.

32. Explain how the proposed rules will impact business growth and job creation (or elimination) in Michigan.

R 408.30701, R 408.30711, R 408.30712, R 408.30715, R 408.30717, R 408.30718, R 408.30719, R 408.30741c and R 408.30791 are administrative in nature and are amended to bring the administrative application of the Michigan Plumbing Code rules in line with actual practices and will not impact business growth, job creation, or job elimination in Michigan.

33. Identify any individuals or businesses who will be disproportionately affected by the rules as a result of their industrial sector, segment of the public, business size, or geographic location.

Individuals or businesses will not be disproportionately affected by the rules as a result of their industrial sector, segment of the public, business size, or geographic location.

34. Identify the sources the agency relied upon in compiling the regulatory impact statement, including the methodology utilized in determining the existence and extent of the impact of the proposed rules and a cost-benefit analysis of the proposed rules.

The bureau worked with the board and had an Advisory Meeting with Stakeholders involved to help compile the regulatory impact statement, including determining the existence and extent of the impact of the proposed rules and the cost benefit analysis of these proposed rules.

A. How were estimates made, and what were your assumptions? Include internal and external sources, published reports, information provided by associations or organizations, etc., which demonstrate a need for the proposed rules.

The bureau relied on the board and stakeholders when determining the existence and extent of the impact of the proposed rules.

35. Identify any reasonable alternatives to the proposed rules that would achieve the same or similar goals.

There are no reasonable alternatives to the proposed rules that have been identified that would achieve the same or similar goals.

A. Please include any statutory amendments that may be necessary to achieve such alternatives.

There are no statutory amendments that may be necessary to achieve such alternatives.

36. Discuss the feasibility of establishing a regulatory program similar to that proposed in the rules that would operate through private market-based mechanisms. Please include a discussion of private market-based systems utilized by other states.

The proposed rules are implemented through regulatory agencies at the state and local level. There are mechanisms for third party inspection as specified in the State Construction Code, PA 230 of 1972.

36. Discuss the feasibility of establishing a regulatory program similar to that proposed in the rules that would operate through private market-based mechanisms. Please include a discussion of private market-based systems utilized by other states.

There were no significant alternatives presented for the bureau and rules review committee to consider.

38. As required by MCL 24.245b(1)(c), please describe any instructions regarding the method of complying with the rules, if applicable.

Not applicable.