

Office of Regulatory Management
Economic Review Form

Agency name	Department of Environmental Quality
Virginia Administrative Code (VAC) Chapter citation(s)	9VAC20-90
VAC Chapter title(s)	Solid Waste Management Permit Action Fees and Annual Fees
Action title	Periodic Review and Small Business Impact Review
Date this document prepared	December 21, 2022

Cost Benefit Analysis

Table 1a must be completed for all actions. Tables 1b and 1c must be completed for actions (or portions thereof) where the agency is exercising discretion, including those where some of the changes are mandated by state or federal law or regulation. Tables 1b and 1c are not needed if **all** changes are mandated, and the agency is not exercising any discretion. In that case, enter a statement to that effect.

- (1) Direct Costs & Benefits: Identify all specific, direct economic impacts (costs and/or benefits), anticipated to result from the regulatory change. (A direct impact is one that affects entities regulated by the agency and which directly results from the regulatory change itself, without any intervening steps or effects. For example, the direct impact of a regulatory fee change is the change in costs for these regulated entities.) When describing a particular economic impact, specify which new requirement or change in requirement creates the anticipated economic impact. Keep in mind that this is the proposed change versus the status quo. One bullet has been provided, add additional bullets as needed.
- (2) Quantitative Factors:
 - (a) Enter estimated dollar value of total (overall) direct costs described above.
 - (b) Enter estimated dollar value of total (overall) direct benefits described above.
 - (c) Enter the present value of the direct costs based on the worksheet.
 - (d) Enter the present value of the direct benefits based on the worksheet.
- (3) Benefits-Costs Ratio: Calculate d divided by c OR enter it from the worksheet.
- (4) Net Benefit: Calculate d minus c OR enter it from the worksheet.
- (5) Indirect Costs & Benefits: Identify all specific, indirect economic impacts (costs and/or benefits), anticipated to result from the regulatory change. (An indirect impact is one that results from responses to the regulatory change, but which are not directly required by the regulation. Indirect impacts of a regulatory fee change on regulated entities could include a change in the prices they charge, changes in their operating procedures or employment levels, or decisions to enter or exit the regulated profession or market. Indirect impacts also include responses by other entities that have close economic ties to the regulated entities, such as suppliers or partners.) If there are no indirect costs or benefits, include a specific statement to that effect.

- (6) Information Sources: Describe the sources of information used to determine the benefits and costs, including the source of the Quantitative Factors. If dollar amounts are not available, indicate why they are not.
- (7) Optional: Use this space to add any further information regarding the data provided in this table, including calculations, qualitative assessments, etc.

Table 1a: Costs and Benefits of the Proposed Changes (Primary Option)

<p>(1) Direct Costs & Benefits</p>	<ul style="list-style-type: none"> • This is a periodic review. No changes are proposed at this time. <p>Direct Costs: These are the costs incurred by the solid waste facilities applying for a permit or operating a solid waste facility. Permit Fee: (Code of Virginia §10.1-1402.1) \$4,180 (Part A Fee) & \$18,680 (Part B Fee) + other</p> <p>Annual Fee: (Fee amount specified in Code of Virginia §10.1 – 1402.1:1) with annual CPI adjustment</p> <p>Direct Benefits:</p> <p>Permit Fees are collected in order to recover a portion of the agency's costs associated with the processing of an application to issue, reissue, amend or modify permits.</p> <p>Annual fee funds are used to support VADEQ’s solid waste program, which includes staff salaries and other expenses for all SW activities such as solid waste permitting, compliance, inspection, monitoring, training, and enforcement. These activities are critical for protection of human health and the environment consistent with the waste management act.</p> <p>Also, the current regulations allow a schedule of reduced annual fees (discount mentioned below) for facilities that have established a record of compliance with the terms and requirements of their permits. The regulation provides for reductions in the annual fee amount assessed for facilities based upon acceptance into the Department's programs to recognize excellent environmental performance.</p>	
<p>(2) Quantitative Factors</p>	<p>Estimated Dollar Amount</p>	<p>Present Value</p>
<p>Direct Costs</p>	<p>(a) Permit Fee SFY22: \$67,090 from 20 applications (b) CY2021 Annual (SFY2022) Fee: \$2,954,317.89 Discount: (\$89,434.04)</p>	<p>Permit fee for SFY2022 & Annual fee for CY2021: \$2,931,973.85</p>

	Total: \$2,864,883.85 Permits: 330 (c) Total:		
Direct Benefits	(b) 0	(d) 0	
(3) Benefits-Costs Ratio	N/A	(4) Net Benefit	0
(5) Indirect Costs & Benefits	No indirect costs and benefits as a result of this periodic review. No changes are proposed at this time.		
(6) Information Sources	Annual fee – DEQ database		
(7) Optional	Waste recycled is not subject to the solid waste annual fee.		

Table 1b: Costs and Benefits under the Status Quo (No change to the regulation)

This table addresses current requirements and the implications of not making any changes. In other words, describe the costs and benefits of maintaining the current regulatory requirements as is.

(1) Direct Costs & Benefits	<ul style="list-style-type: none"> • Describe the current requirement associated with the first proposed impactful change described in Table 1a here. <p>Direct Costs: Permit Fee: (Code of Virginia §10.1-1402.1) \$4,180 (Part A Fee) & \$18,680 (Part B Fee)</p> <p>Annual Fee: (Code of Virginia §10.1 – 1402.1:1) with annual CPI adjustment</p> <p>Direct Benefits: No increase to the current fees. Required by law to maintain these regulations to provide funding for the implementation of solid waste program.</p>
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(2) Quantitative Factors	Estimated Dollar Amount	Present Value	
Direct Costs	(a) Permit Fee: (Code of Virginia §10.1-1402.1) \$4,180 (Part A Fee) & \$18,680 (Part B Fee) \$67,090 for SFY2022 Annual Fee: (Code of Virginia §10.1 – 1402.1:1) with annual CPI adjustment CY2021 SW Annual Fee Billing: Fee: \$2,954,317.89 Discount: (\$89,434.04) Total: \$2,864,883.85 Permits: 330	(c) Total: \$\$2,931,973.85	
Direct Benefits	(b) 0	(d) 0	
(3) Benefits- Costs Ratio	0	(4) Net Benefit	0
(5) Indirect Costs & Benefits	<ul style="list-style-type: none"> • Direct Costs: Current Permit application fees vary by the type of facility that is being permitted and type of permit is required. • The current regulations are needed to cover a portion of the cost of the solid waste program to protect public safety, health, and welfare. But the Department determined that no amendments are necessary at this time as annual fee amounts are specified by the statute. The current fee regulations does not provide adequate funding to cover the cost of solid waste program as identified by the Solid Waste fee study group recently. Department currently utilizing funds from other programs to cover the gap for operating the solid waste program. 		
(6) Information Sources	Annual fee: DEQ database		
(7) Optional	Waste recycled is not subject to the solid waste annual fee.		

Table 1c: Costs and Benefits under an Alternative Approach

This table addresses an alternative approach to accomplishing the objectives with different requirements. These alternative approaches may include the use of reasonably available alternatives in lieu of regulation, or information disclosure requirements or performance standards instead of regulatory mandates.

(1) Direct Costs & Benefits	<ul style="list-style-type: none"> • The Department considered the alternative of repealing the regulation but determined that the regulation is still required per current statute to collect the fee to support the solid waste program. • A Nonhazardous Solid Waste Fee Study Working Group was established by DEQ pursuant to § 1 of Chapter 275 of the 2021 Special Session 1 Acts of Assembly (SB 1210). The work group recommended increasing the solid waste permit and annual fees to cover the total cost incurred by DEQ for operating the solid waste program. While the department considered amending this regulation to increase permit fees as recommended by the work group, this alternative was rejected since the regulation, as currently written, is effective in achieving the purpose of the regulation and is consistent with current state law. 		
(2) Quantitative Factors	Estimated Dollar Amount	Present Value	
Direct Costs	(a) 0	(c) 0	
Direct Benefits	(b) 0	(d) 0	
(3) Benefits-Costs Ratio		(4) Net Benefit	
(5) Indirect Costs & Benefits			
(6) Information Sources			
(7) Optional			

Impact on Local Partners

(1) Describe the direct costs and benefits (as defined on page 1) for local partners in terms of real monetary costs and FTEs. Local partners include local or tribal governments, school divisions, or other local or regional authorities, boards, or commissions. If local partners are not affected, include a specific statement to that effect and a brief explanation of the rationale.

(2) Quantitative Factors:

(a) Enter estimated dollar value of total (overall) direct costs described above.

- (b) Enter estimated dollar value of total (overall) direct benefits described above.
- (3) Indirect Costs & Benefits: Describe any indirect benefits and costs (as defined on page 1) for local partners that are associated with all significant changes. If there are no indirect costs or benefits, include a specific statement to that effect.
- (4) Information Sources: describe the sources of information used to determine the benefits and costs, including the source of the Quantitative Factors. If dollar amounts are not available, indicate why they are not.
- (5) Assistance: Identify the amount and source of assistance provided for compliance in both funding and training or other technical implementation assistance.
- (6) Optional: Use this space to add any further information regarding the data provided in this table, including calculations, qualitative assessments, etc.

Note: If any of the above information was included in Table 1, use the same information here.

Table 2: Impact on Local Partners

(1) Direct Costs & Benefits	If localities own landfills, they would be subject to the same potential costs associated with the regulations noted above. There are no new costs to local partners as no regulatory changes are proposed from existing regulations.
(2) Quantitative Factors	Estimated Dollar Amount
Direct Costs	(a) 170 permits are currently operated by local partners
Direct Benefits	(b)
(3) Indirect Costs & Benefits	
(4) Information Sources	
(5) Assistance	
(6) Optional	

Economic Impacts on Families

- (1) Describe the direct costs and benefits (as defined on page 1) to a typical family of three (average family size in Virginia according to the U. S. Census) arising from any proposed regulatory changes that would affect the costs of food, energy, housing, transportation,

healthcare, and education. If families are not affected, include a specific statement to that effect and a brief explanation of the rationale.

- (2) Quantitative Factors:
 - (a) Enter estimated dollar value of direct costs.
 - (b) Enter estimated dollar value of direct benefits.
- (3) Indirect Costs & Benefits: Describe any indirect costs and benefits (as defined on page 1) to a typical family of three that are most likely to result from the proposed changes.
- (4) Information Sources: describe the sources of information used to determine the benefits and costs, including the source of the Quantitative Factors. If dollar amounts are not available, indicate why not.
- (5) Optional: Use this space to add any further information regarding the data provided in this table, including calculations, qualitative assessments, etc.

Note: If any of the above information was included in Table 1, use the same information here.

Table 3: Impact on Families

(1) Direct Costs & Benefits	There are no new direct costs to families associated with this regulatory action as no changes are proposed. However, solid waste facilities are allowed, but not required by this regulation, to pass the fee cost to the residents covered by their jurisdiction.
(2) Quantitative Factors	Estimated Dollar Amount
Direct Costs	(a)
Direct Benefits	(b)
(3) Indirect Costs & Benefits	
(4) Information Sources	
(5) Optional	

Impacts on Small Businesses

- (1) Describe the direct costs and benefits (as defined on page 1) for small businesses. For purposes of this analysis, “small business” means the same as that term is defined in § 2.2-4007.1. If small businesses are not affected, include a specific statement to that effect and a brief explanation of the rationale.

- (2) Quantitative Factors:
 - (a) Enter estimated dollar value of direct costs.
 - (b) Enter estimated dollar value of direct benefits.
- (3) Indirect Costs & Benefits: Describe the indirect benefits and costs (as defined on page 1) for small businesses that are most likely to result from the proposed changes.
- (4) Alternatives: Add a qualitative discussion of any equally effective alternatives that would make the regulatory burden on small business more equitable compared to other affected business sectors, and how those alternatives were identified.
- (5) Information Sources: describe the sources of information used to determine the benefits and costs, including the source of the Quantitative Factors. If dollar amounts are not available, indicate why not.
- (6) Optional: Use this space to add any further information regarding the data provided in this table, including calculations, qualitative assessments, etc.

Note: If any of the above information was included in Table 1, use the same information here.

Table 4: Impact on Small Businesses

(1) Direct Costs & Benefits	If small businesses own landfills, they would be subject to the same potential costs associated the requirements in the regulations as noted above. There are no new costs to small businesses, as no regulatory changes are proposed from existing regulations.
(2) Quantitative Factors	Estimated Dollar Amount
Direct Costs	(a)
Direct Benefits	(b)
(3) Indirect Costs & Benefits	
(4) Alternatives	
(5) Information Sources	
(6) Optional	

Changes to Number of Regulatory Requirements

For each individual VAC Chapter amended, repealed, or promulgated by this regulatory action, list (a) the initial requirement count, (b) the count of requirements that this regulatory package is adding, (c) the count of requirements that this regulatory package is reducing, (d) the net change in the number of requirements. This count should be based upon the text as written when this stage was presented for executive branch review. Five rows have been provided, add or delete rows as needed.

Table 5: Total Number of Requirements

Agency Note: This is a periodic review, and no changes to the regulation are being proposed.

	Number of Requirements			
Chapter number	Initial Count	Additions	Subtractions	Net Change
9VAC20-90		0	0	0