



Economic Impact Analysis Virginia Department of Planning and Budget

9 VAC 25-32– Virginia Pollution Abatement (VPA) Permit Regulation
Department of Environmental Quality
June 13, 2013

Summary of the Proposed Amendments to Regulation

The Virginia Pollution Abatement (VPA) Permit Regulation governs the pollutant management activities of animal wastes at animal feeding operations (AFOs). The State Water Control Board (Board) proposes to amend this regulation to: 1) permit non-poultry animal waste to be transferred from AFOs to end users, and 2) amend and introduce definitions for consistency with the existing general permit for AFOs as well as related federal definitions.

Result of Analysis

The benefits likely exceed the costs for all proposed changes.

Estimated Economic Impact

Under specified conditions, the current regulation permits AFOs to transfer poultry waste to end users, but not other animal waste. End users are typically farms that use the waste for fertilizer. The Board proposes to permit non-poultry animal waste to be transferred to end users. According to the Department of Environmental Quality, waste from dairy, beef, and swine feeding operations are the most likely to be newly utilized if this proposed change is approved. AFOs with animals other than poultry will benefit both from having new destinations to legally rid themselves of waste, and from potential revenue from selling the waste to farmers for use as fertilizer. Some farmers will benefit from having an increase in the potential supply of fertilizer. Environmental safeguards remain under the proposed regulations. Thus, the proposed amendments should provide a net benefit.

Businesses and Entities Affected

The proposed amendments will affect the approximate 150+ animal feeding operations¹ in the Commonwealth, as well as farms which use or potentially could use animal waste from the AFOs as fertilizer. All or most of the AFOs would qualify as small businesses.

Localities Particularly Affected

The proposed amendments apply to all localities, but would particularly affect agriculturally oriented localities with relatively more animal feeding operations.

Projected Impact on Employment

The proposed amendments will not likely have a large impact on employment. The proposal to permit the transfer of non-poultry animal waste to end users may lead to a small increase in employment related to the selling and transporting of the waste.

Effects on the Use and Value of Private Property

The proposal to permit the transfer of non-poultry animal waste to end users will very likely lead to AFOs selling non-poultry waste to farmers for fertilizer. This would have a positive impact on the value of such AFOs.

Small Businesses: Costs and Other Effects

The proposed amendments will likely reduce net costs of dealing with animal waste for small non-poultry AFOs, and may reduce the cost of obtaining quality fertilizer for some small farmers.

Small Businesses: Alternative Method that Minimizes Adverse Impact

The proposed amendments do not adversely affect small businesses.

Real Estate Development Costs

The proposed amendment will not significantly affect real estate development costs.

Legal Mandate

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.04 of the Administrative Process Act

¹ Data source: Department of Environmental Quality

and Executive Order Number 14 (10). Section 2.2-4007.04 requires that such economic impact analyses include, but need not be limited to, a determination of the public benefit, the projected number of businesses or other entities to whom the regulation would apply, the identity of any localities and types of businesses or other entities particularly affected, the projected number of persons and employment positions to be affected, the projected costs to affected businesses or entities to implement or comply with the regulation, and the impact on the use and value of private property. Further, if the proposed regulation has an adverse effect on small businesses, Section 2.2-4007.04 requires that such economic impact analyses include (i) an identification and estimate of the number of small businesses subject to the regulation; (ii) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the regulation, including the type of professional skills necessary for preparing required reports and other documents; (iii) a statement of the probable effect of the regulation on affected small businesses; and (iv) a description of any less intrusive or less costly alternative methods of achieving the purpose of the regulation. The analysis presented above represents DPB's best estimate of these economic impacts.