



# Virginia Department of Planning and Budget **Economic Impact Analysis**

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**9 VAC 25-875 Virginia Erosion and Stormwater Management Regulation**  
**Department of Environmental Quality**  
**Town Hall Action/Stage: 6523 / 10407**  
August 22, 2024

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The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with § 2.2-4007.04 of the Code of Virginia (Code) and Executive Order 19. The analysis presented below represents DPB’s best estimate of the potential economic impacts as of the date of this analysis.<sup>1</sup>

## **Summary of the Proposed Amendments to Regulation**

The State Water Control Board proposes to correct technical errors in the regulatory text for consistency with statutory law and to improve the clarity of existing requirements.

## **Background**

This regulation establishes requirements for the effective control of soil erosion, sediment deposition, and stormwater, including nonagricultural runoff. The intent of this regulatory action is to correct technical errors inadvertently omitted from a recent action that consolidated the regulations for the Stormwater Management Act and the Virginia Erosion and Sediment Control Law effective July 1, 2024.<sup>2</sup> The proposed changes are technical corrections to the regulation to be consistent with statutes and to clarify applicable requirements.

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<sup>1</sup> Code § 2.2-4007.04 requires that such economic impact analyses determine the public benefits and costs of the proposed amendments. Further the analysis should include but not be limited to: (1) the projected number of businesses or other entities to whom the proposed regulatory action would apply, (2) the identity of any localities and types of businesses or other entities particularly affected, (3) the projected number of persons and employment positions to be affected, (4) the projected costs to affected businesses or entities to implement or comply with the regulation, and (5) the impact on the use and value of private property.

<sup>2</sup> <https://townhall.virginia.gov/L/ViewStage.cfm?stageid=9916>

## **Estimated Benefits and Costs**

The proposed changes are strictly clarifying in nature and, according to DEQ, this regulatory action does not change the substantive requirements for owners and operators that submit plans, obtain permits, and maintain compliance with requirements to control erosion and stormwater runoff from land-disturbing activities. In addition, it does not change the technical requirements, such as erosion and sediment control minimum standards and post-construction stormwater management criteria that protect public health and the environment. Thus, no economic impact is expected from the proposed changes other than improving the clarity and consistency of the text with the State Water Control Law.

## **Businesses and Other Entities Affected**

This regulation applies to owners and operators who submit plans, obtain permits, and maintain compliance with requirements to control erosion and stormwater runoff from land-disturbing activities. No entity is disproportionately affected.

The Code of Virginia requires DPB to assess whether an adverse impact may result from the proposed regulation.<sup>3</sup> An adverse impact is indicated if there is any increase in net cost or reduction in net benefit for any entity, even if the benefits exceed the costs for all entities combined.<sup>4</sup> As noted above, the proposal strictly clarifies existing text and requirements. Thus, no adverse impact is indicated.

## **Small Businesses<sup>5</sup> Affected:<sup>6</sup>**

The proposed changes do not to adversely affect small businesses.

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<sup>3</sup> Pursuant to Code § 2.2-4007.04(D): In the event this economic impact analysis reveals that the proposed regulation would have an adverse economic impact on businesses or would impose a significant adverse economic impact on a locality, business, or entity particularly affected, the Department of Planning and Budget shall advise the Joint Commission on Administrative Rules, the House Committee on Appropriations, and the Senate Committee on Finance.

<sup>4</sup> Statute does not define “adverse impact,” state whether only Virginia entities should be considered, nor indicate whether an adverse impact results from regulatory requirements mandated by legislation. As a result, DPB has adopted a definition of adverse impact that assesses changes in net costs and benefits for each affected Virginia entity that directly results from discretionary changes to the regulation.

<sup>5</sup> Pursuant to § 2.2-4007.04 of the Code of Virginia, small business is defined as “a business entity, including its affiliates, that (i) is independently owned and operated and (ii) employs fewer than 500 full-time employees or has gross annual sales of less than \$6 million.”

<sup>6</sup> If the proposed regulatory action may have an adverse effect on small businesses, Code § 2.2-4007.04 requires that such economic impact analyses include: (1) an identification and estimate of the number of small businesses subject to the proposed regulation, (2) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the proposed regulation, including the type of professional skills necessary for preparing required reports and other documents, (3) a statement of the probable effect of the proposed regulation on

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**Localities<sup>7</sup> Affected<sup>8</sup>**

The proposed amendments do not introduce costs or other effects on localities other than improving the clarity of the regulation.

**Projected Impact on Employment**

The proposed amendments do not affect employment.

**Effects on the Use and Value of Private Property**

No effects of the use and value of private property nor on real estate development costs is expected.

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affected small businesses, and (4) a description of any less intrusive or less costly alternative methods of achieving the purpose of the proposed regulation. Additionally, pursuant to Code § 2.2-4007.1, if there is a finding that a proposed regulation may have an adverse impact on small business, the Joint Commission on Administrative Rules shall be notified.

<sup>7</sup> “Locality” can refer to either local governments or the locations in the Commonwealth where the activities relevant to the regulatory change are most likely to occur.

<sup>8</sup> § 2.2-4007.04 defines “particularly affected” as bearing disproportionate material impact.