



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

9 VAC 25-875 Virginia Erosion and Stormwater Management Regulation
Department of Environmental Quality
Town Hall Action/Stage: 6995 / 11154 Fast-Track
May 20, 2026

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.¹

Summary of the Proposed Amendments to Regulation

The State Water Control Board (Board) proposes to require that the full fee amount for the General Virginia Pollutant Discharge Elimination System Permit for Discharges of Stormwater from Construction Activities (Construction General Permit) be due at the time that an application is submitted. The Board also proposes to amend other text for clarification.

Background

Under the current regulation, fee collection for the Construction General Permit is divided into two payments: no more than 50 percent of the total fee amount is due at the time that a plan is submitted for review (application), and the remaining fee balance is due prior to issuance of coverage under the permit. The Board proposes to require that the full fee be paid upon application.

Estimated Benefits and Costs

According to the Department of Environmental Quality (DEQ), the current two-payment system at times results in the need for additional processing time and staff resources, especially

¹ See Code § 2.2-4007.04 (A).

when payments are late or incomplete. Additionally, when the second payment is not made or is incomplete, costs incurred by DEQ for plan processing and review may not be recuperated.

The proposal benefits DEQ and the Commonwealth by having a statewide stormwater management program that is fully funded and efficiently and consistently administered. The fee amounts per applicant do not change. While some permittees may be indifferent or may even prefer paying fees just once, others may object to paying the full fee sooner. Three different trade organizations that each represent different groups of permittees were contacted concerning the proposal. Two of the organizations had no objection, while one believed that at least some of their members would prefer the status quo.

Businesses and Other Entities Affected

Applicants for the Construction General Permit would be particularly affected. According to DEQ, there are approximately 1,250 permit applications per year. Any entity that is disturbing one acre or more of land is required to obtain permit coverage. This could include building contractors, local governments, private or public entities, and the Virginia Department of Transportation.²

The Code requires DPB to assess whether an adverse impact may result from the proposed regulation.³ 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.⁴ As mentioned above, some permittees would likely consider themselves worse off by having to pay the full fee upfront. Thus, an adverse impact is indicated.

Small Businesses⁵ Affected:⁶

Types and Estimated Number of Small Businesses Affected

Data are not available to determine how many of the approximately 1,250 annual permit applicants are small businesses.

² Source: DEQ.

³ See Code § 2.2-4007.04 (D).

⁴ 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.

⁵ 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.”

⁶ See Code § 2.2-4007.04 (A.2). and Code § 2.2-4007.1 (C).

Costs and Other Effects

The cost would be associated with having to pay the full fee sooner.

Alternative Method that Minimizes Adverse Impact

There are no clear alternative methods that both reduce adverse impact and meet the intended policy goals.

Localities⁷ Affected⁸

The proposal neither disproportionately affects particular localities nor substantively affects costs for local governments.

Projected Impact on Employment

The proposed amendments are unlikely to substantively affect total employment.

Effects on the Use and Value of Private Property

The proposal neither substantively affects the use and value of private property nor substantively affects real estate development costs.

⁷ “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.

⁸ Code § 2.2-4007.04 defines “particularly affected” as bearing disproportionate material impact.