

Office of Regulatory Management  
Economic Review Form

<b>Agency name</b>	Department of Environmental Quality (“Department”)
<b>Virginia Administrative Code (VAC) Chapter citation(s)</b>	9 VAC 25-875
<b>VAC Chapter title(s)</b>	Virginia Erosion and Stormwater Management Regulation
<b>Action title</b>	Amend the Virginia Erosion and Stormwater Management (VESM) Regulation to improve the efficiency of permit fee collection
<b>Date this document prepared</b>	March 13, 2026
<b>Regulatory Stage (including Issuance of Guidance Documents)</b>	Fast-Track Regulation

**Cost Benefit Analysis**

Complete Tables 1a and 1b for all regulatory actions. You do not need to complete Table 1c if the regulatory action is required by state statute or federal statute or regulation and leaves no discretion in its implementation.

Table 1a should provide analysis for the regulatory approach you are taking. Table 1b should provide analysis for the approach of leaving the current regulations intact (i.e., no further change is implemented). Table 1c should provide analysis for at least one alternative approach. You should not limit yourself to one alternative, however, and can add additional charts as needed.

Report both direct and indirect costs and benefits that can be monetized in Boxes 1 and 2. Report direct and indirect costs and benefits that cannot be monetized in Box 4. See the ORM Regulatory Economic Analysis Manual for additional guidance.

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

(1) Direct & Indirect Costs & Benefits (Monetized)	<p><b>Background:</b> Section 62.1-44.15:28 of the Code of Virginia (effective July 1, 2024) authorizes the State Water Control Board (Board) to adopt regulations that establish requirements for the effective control of soil erosion, sediment deposition, and stormwater, including nonagricultural runoff, that shall be met in any Virginia Erosion and Stormwater Management Program (VESMP) to prevent the unreasonable degradation of properties, stream channels, waters, and other natural resources;</p>
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subsection 9 requires the Board’s regulations to establish a statewide fee schedule to cover all costs associated with the implementation of a VESMP related to land-disturbing activities where permit coverage is required, and for land-disturbing activities where the Board serves as a VESMP authority or Virginia Stormwater Management Program (VSMP) authority.

In addition, Item 363 J of the 2024-2026 budget, as introduced during the 2024 General Assembly Session in HB 6001 / SB 6001 and enacted in Chapter 2 of the 2024 Special Session I Acts of Assembly (Budget Bill), directs the Board to amend the existing permit fee schedule such that the fees for the Virginia Pollutant Discharge Elimination System (VPDES) Permit for Discharges of Stormwater from Construction Activities (Construction General Permit) and Municipal Separate Storm Sewer System (MS4) permits are set at an amount representing no less than 60 percent, not to exceed 62 percent, of the direct costs for the administration, compliance, and enforcement of such permits.

The proposed regulatory change is consistent with the Department’s goal to increase the efficiency of permit processing and approval, effectively collect the fees described above, and to provide clarity and consistency for the regulated community.

**Direct & Indirect Costs:**

The VESM Regulation amendments will remove the option to collect 50% of the total fee amount at the time that a plan is submitted for review and instead require the full fee amount at the time of application submission (i.e., when an applicant submits a stormwater management plan or erosion control and stormwater management plan (ESM plan), if required) for coverage under the Construction General Permit. The regulatory change updates and clarifies when the full fee amount is due during the permitting process and ensures costs associated with plan review are covered; it does not increase permit fees or change the substantive requirements for owners and operators to submit plans, obtain permits, and maintain compliance with requirements to control erosion and stormwater runoff from land-disturbing activities. Therefore, there are no new direct or indirect costs associated with the proposed changes.

**Direct & Indirect Benefits:**

The updates will allow the Department and localities that administer a VESMP to collect the full fee amount for coverage under the Construction General Permit at the beginning of the application process. This regulatory change benefits the regulated community, localities, the Department, and other stakeholders by providing regulatory clarity and by making the permitting process more efficient. The Department is

	unable to quantify these benefits because they do not make any substantive changes to the regulation or its requirements.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) No monetized direct or indirect costs associated with these regulatory changes.	(b) The Department is unable to quantify these benefits.
(3) Net Monetized Benefit	Unknown (see discussion above).	
(4) Other Costs & Benefits (Non-Monetized)	Unknown (see discussion above).	
(5) Information Sources	N/A	

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

(1) Direct & Indirect Costs & Benefits (Monetized)	<p><b>Direct Costs:</b> The “status quo” option would be to continue to use the existing fee payment due date requirements and procedures. No direct costs would be incurred by the Department.</p> <p><b>Indirect Costs:</b> The primary indirect cost with the “status quo” is the inability for the Department to implement an improved and more efficient permit processing initiative. Per the current regulation, the option to collect the fee in two separate payments may result in additional processing time and staff resources, especially when payments are late or incomplete. Alternatively, if the total fee is collected as the last step in the permitting process, the program costs incurred for plan processing and review may not be recuperated. The Department is unable to quantify these costs.</p> <p><b>Direct &amp; Indirect Benefits:</b> There are no direct or indirect benefits to maintaining the status quo.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) Unable to monetize direct and indirect costs.	(b) Unable to monetize direct and indirect benefits.
(3) Net Monetized Benefit	N/A	

(4) Other Costs & Benefits (Non-Monetized)	N/A
(5) Information Sources	N/A

**Table 1c: Costs and Benefits under Alternative Approach(es)**

(1) Direct & Indirect Costs & Benefits (Monetized)	<p><b>Direct Costs:</b> The alternative option considered would be to remove the condition that no more than 50% of the total fee is due at the time of plan submission, without amending the section with due dates to improve clarity. There are no direct costs to this option.</p> <p><b>Indirect Costs:</b> This option could potentially create confusion for the regulated community based on the structure of the fee regulations, which could result in delays and additional processing time caused by uncertainty. The Department is unable to quantify these costs.</p> <p><b>Direct &amp; Indirect Benefits:</b> There are no direct or indirect benefits to this option.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) Unable to monetize direct and indirect costs.	(b) Unable to monetize direct and indirect benefits.
(3) Net Monetized Benefit	N/A	
(4) Other Costs & Benefits (Non-Monetized)	N/A	
(5) Information Sources	N/A	

**Impact on Local Partners**

Use this chart to describe impacts on local partners. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

**Table 2: Impact on Local Partners**

<p>(1) Direct &amp; Indirect Costs &amp; Benefits (Monetized)</p>	<p><b>Direct Costs:</b> There are no direct costs to local partners because this action does not change the existing responsibilities of local governments to implement a VESMP consistent with requirements in the Virginia Erosion and Stormwater Management Act (Chapter 3.1 of the State Water Control Law, Article 2.3 of Title 62.1 of the Code of Virginia).</p> <p><b>Indirect Costs:</b> The indirect costs associated with the proposed change are additional staff time necessary for local staff to gain awareness of and implement the regulatory changes. The Department is unable to quantify these costs.</p> <p><b>Direct &amp; Indirect Benefits:</b> The proposed change will allow localities who administer a VESMP to collect the full fee amount for coverage under the Construction General Permit at the beginning of the application process. This regulatory change benefits localities by making the permitting process more efficient. In addition, the proposed change does include the ability for the Department to approve an alternate payment schedule, which will allow for flexibility when necessary. The Department is unable to quantify these benefits because they do not change the fee amount or requirement to pay a fee, only the timing of the payment.</p>	
<p>(2) Present Monetized Values</p>	<p>Direct &amp; Indirect Costs</p>	<p>Direct &amp; Indirect Benefits</p>
	<p>(a) Unable to monetize direct and indirect costs.</p>	<p>(b) Unable to monetize direct and indirect benefits.</p>
<p>(3) Other Costs &amp; Benefits (Non-Monetized)</p>	<p>N/A</p>	
<p>(4) Assistance</p>	<p>N/A</p>	
<p>(5) Information Sources</p>	<p>N/A</p>	

**Impacts on Families**

Use this chart to describe impacts on families. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

**Table 3: Impact on Families**

(1) Direct & Indirect Costs & Benefits (Monetized)	<p><b>Direct Costs:</b> There are no direct costs that impact families associated with the proposed changes.</p> <p><b>Indirect Costs:</b> There are no indirect costs that impact families associated with the proposed changes.</p> <p><b>Direct Benefits:</b> There are no direct benefits that impact families associated with the proposed changes.</p> <p><b>Indirect Benefits:</b> There are no indirect benefits that impact families associated with the proposed changes.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) N/A	(b) N/A
(3) Other Costs & Benefits (Non-Monetized)	N/A	
(4) Information Sources	N/A	

**Impacts on Small Businesses**

Use this chart to describe impacts on small businesses. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

**Table 4: Impact on Small Businesses**

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>This regulatory change is narrow in scope and does not increase permit fees or the substantive requirements for owners and operators to submit plans, obtain permits, and maintain compliance with requirements to control erosion and stormwater runoff from land-disturbing activities. The proposed change is not expected to have an adverse impact on small business; however, the proposed regulation does include the ability for the Department to approve an alternate payment schedule, which will allow for flexibility when necessary. The Department is unable to identify the number of small businesses that would benefit from this regulatory change.</p>
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(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) No monetized direct or indirect costs associated with the regulatory changes.	(b) Unable to monetize direct and indirect benefits.
(3) Other Costs & Benefits (Non-Monetized)	N/A	
(4) Alternatives	N/A	
(5) Information Sources	N/A	

**Changes to Number of Regulatory Requirements**

**Table 5: Regulatory Reduction**

For each individual action, please fill out the appropriate chart to reflect any change in regulatory requirements, costs, regulatory stringency, or the overall length of any guidance documents.

*Change in Regulatory Requirements*

VAC Section(s) Involved*	Authority of Change	Initial Count	Additions	Subtractions	Total Net Change in Requirements
9VAC25-875-1330	(M/A):	1	0	0	0
	(D/A):	0	0	0	0
	(M/R):	4	2	0	+2*
	(D/R):	0	0	0	0
9VAC25-875-1400	(M/A):	0	0	0	0
	(D/A):	0	0	0	0
	(M/R):	3	0	-1	-1
	(D/R):	0	0	0	0
				<b>Grand Total of Changes in Requirements:</b>	(M/A): 0 (D/A): 0 (M/R): +2* (D/R): -1

**Key:**

*Please use the following coding if change is mandatory or discretionary and whether it affects externally regulated parties or only the agency itself:*

**(M/A):** Mandatory requirements mandated by federal and/or state statute affecting the agency itself

**(D/A):** Discretionary requirements affecting agency itself

**(M/R):** Mandatory requirements mandated by federal and/or state statute affecting external parties, including other agencies

**(D/R):** Discretionary requirements affecting external parties, including other agencies

\* The two new requirements clarify that fees are due upon application. They existed prior to the amendments but were not explicitly set out. There is no change to the responsibility of the regulated community to pay the stated fees.

*Cost Reductions or Increases (if applicable)*

VAC Section(s) Involved*	Description of Regulatory Requirement	Initial Cost	New Cost	Overall Cost Savings/Increases
9VAC25-875-1330	Due dates for fee payment	0	0	0

9VAC25-875-1400	Schedule of fees	0	0	0
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*Other Decreases or Increases in Regulatory Stringency (if applicable)*

<b>VAC Section(s) Involved*</b>	<b>Description of Regulatory Change</b>	<b>Overview of How It Reduces or Increases Regulatory Burden</b>
9VAC25-875-1330	Due dates for fee payment	Reduces the regulatory burden by clarifying when fees are due.
9VAC25-875-1400	Fees due upon submission of application	Reduces the regulatory burden by requiring a single payment.

*Length of Guidance Documents (only applicable if guidance document is being revised)*

<b>Title of Guidance Document</b>	<b>Original Word Count</b>	<b>New Word Count</b>	<b>Net Change in Word Count</b>

\*If the agency is modifying a guidance document that has regulatory requirements, it should report any change in requirements in the appropriate chart(s).