



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

9 VAC 25-210 Virginia Water Protection Permit Program Regulation
Department of Environmental Quality
Town Hall Action/Stage: 6996 / 11157
May 28, 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 update references and terminology and amend text for clarity.

Background

On October 9, 2024, updates to the *Local and Regional Water Supply Planning* (9 VAC 25-780) regulation became effective in response to Chapter 1105 of the 2020 *Acts of Assembly*. Prior to the updates, local governments had the option of either submitting a local water supply plan or participating in a regional planning unit in the submittal of a regional water supply plan. However, Chapter 1105 eliminated the option of submitting a local water supply plan. This elimination was reflected in one of the updates to 9 VAC 25-780, and other sections of this regulation were also repealed for clarity.

However, the current *Virginia Water Protection Permit Program Regulation* (9 VAC 25-210) still has several references to “local or regional water supply plan.” Since localities now must plan regionally and may no longer submit a local water supply plan, the Board proposes to

¹ See Code § 2.2-4007.04 (A).

remove “local and regional” in each instance where the phrase “local or regional water supply plan” appears in the current regulation.

In addition, certain references in the current *Virginia Water Protection Permit Program Regulation* are not accurate because they refer to sections of the *Local and Regional Water Supply Planning* regulation that were repealed in 2024. Consequently, the Board also proposes to update those references.

Estimated Benefits and Costs

The proposed amendments do not change existing requirements. Nevertheless, the proposed amendments are moderately beneficial in that clarity is improved for readers of the regulation, and the use of updated references will also help readers find the applicable information in those references.

Businesses and Other Entities Affected

The *Virginia Water Protection Permit Program Regulation* primarily applies to surface water withdrawal permittees. Out of 109 active Virginia water protection surface water withdrawal permits, there are 51 municipal, 19 commercial, 15 hydropower, 6 fossil fuel power, 6 irrigation, 6 mining, 4 agricultural, 1 industrial, and 1 nuclear power permittees.

The Code requires DPB to assess whether an adverse impact may result from the proposed regulation.² 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.³ The proposed amendments neither increase net cost nor reduce net benefit for any entity. Thus, no adverse impact is indicated.

Small Businesses⁴ Affected:⁵

The proposed amendments do not adversely affect small businesses.

² See Code § 2.2-4007.04(D).

³ 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.

⁴ 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.”

⁵ See Code § 2.2-4007.04 (A.2). and Code § 2.2-4007.1 (C).

Localities⁶ Affected⁷

The proposed amendments neither disproportionately affect any particular locality nor affect costs for local governments.

Projected Impact on Employment

The proposed amendments do not affect employment.

Effects on the Use and Value of Private Property

The proposed amendments do not substantively affect the use and value of private property. The proposed amendments do not affect real estate development costs.

⁶ “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.

⁷ Code § 2.2-4007.04 defines “particularly affected” as bearing disproportionate material impact.