



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

2 VAC 5-675 Regulations Governing Pesticide Fees Charged by the Department of Agriculture and Consumer Services

Department of Agriculture and Consumer Services

Town Hall Action/Stage: 6463 / 10326

October 1, 2024

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 Board of Agriculture and Consumer Services (Board) proposes to reduce fees for commercial applicators,² registered technicians,³ and pesticide businesses.

Background

According to the Virginia Department of Agriculture and Consumer Services (VDACS), the proposed amendments would align the pesticide-related fees that VDACS collects with its costs to administer the pesticide program.

The current fees and the Board’s proposed fees are in the following table:

¹ 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.

² Code § 3.2-3900 defines “commercial applicator” as “any person who has completed the requirements for certification to use or supervise the use of any pesticide for any purpose or on any property other than as provided in the definition of private applicator.”

³ Code § 3.2-3900 defines “registered technician” as “an individual who has satisfactorily completed the Board requirements for certification to apply general use pesticides, and to apply restricted use pesticides while under the direct supervision of a certified commercial applicator. Registered technicians render services similar to those of a certified commercial applicator, but have not completed all the requirements to be eligible for certification as a commercial applicator.”

Fee Description	Current Fee	Proposed Fee
Commercial applicator certificate initial fee	\$100	\$25
Commercial applicator reexamination	\$100	\$25
Commercial applicator additional category	\$35	\$25
Registered technician certificate initial fee	\$50	\$25
Registered technician reexamination	\$50	\$25
Business license annual fee	\$150	\$75

Estimated Benefits and Costs

Pesticide businesses, commercial applicators, and registered technicians would benefit from the lower fees. VDACS estimates that the lower fees would result in an annual reduction of \$450,750 in revenue.

Businesses and Other Entities Affected

The proposed amendments would affect the 3,000 licensed pesticide businesses and 22,600 certified pesticide applicators (includes both commercial applicators and registered technicians) in the Commonwealth.⁴ VDACS estimates that the vast majority of the licensed businesses are small businesses.

The Code requires DPB to assess whether an adverse impact may result from the proposed regulation.⁵ 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.⁶ As the proposal neither increases net costs nor reduces net benefit, no adverse impact is indicated.

Small Businesses⁷ Affected:⁸

The proposed amendments do not adversely affect small businesses.

⁴ Data source: VDACS.

⁵ 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.

⁶ 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.

⁷ 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.”

⁸ 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

Localities⁹ Affected¹⁰

The proposed amendments may disproportionately affect agriculturally oriented localities. The proposal does not increase 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 proposed lower fees would very moderately increase the value of pesticide businesses. The proposed amendments do not affect real estate development costs.

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 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.

⁹ “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.

¹⁰ § 2.2-4007.04 defines “particularly affected” as bearing disproportionate material impact.