

Office of Regulatory Management
Economic Review Form

Agency name	Board of Agriculture and Consumer Services
Virginia Administrative Code (VAC) Chapter citation(s)	2 VAC 5-675
VAC Chapter title(s)	Regulations Governing Pesticide Fees Charged by the Department of Agriculture and Consumer Services
Action title	Fee amendments
Date this document prepared	April 1, 2024
Regulatory Stage (including Issuance of Guidance Documents)	Fast Track

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>As a result of the proposed reductions to the commercial applicator certification fees, the pesticide business license fee, and the registered technician certification fees, the agency's pesticide program's nongeneral fund revenue will decrease annually by approximately \$450,000. The agency's pesticide program can absorb this cost, and the reduction will align the revenue with the cost of carrying out the program's mission.</p> <p>The regulated entities will directly benefit from the proposed reduction in fees.</p> <p>This shift of money from the agency to the industry is a transfer payment and not considered an overall cost or benefit of the proposed change.</p> <p>There are no indirect costs or benefits associated with this regulatory action.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) 0	(b) 0
(3) Net Monetized Benefit	0	
(4) Other Costs & Benefits (Non-Monetized)	None	
(5) Information Sources		

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

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>If VDACS maintains the current fee structure, the agency's pesticide program will continue to receive more revenue than is necessary to administer the provisions of the Pesticide Control Act. This will in turn cost the pesticide industry approximately \$450,000 in fees that are not necessary to maintain program operations.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a)0	(b) 0

(3) Net Monetized Benefit	0
(4) Other Costs & Benefits (Non-Monetized)	None
(5) Information Sources	

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

(1) Direct & Indirect Costs & Benefits (Monetized)	The alternative approach would be to either reduce fees more than what is proposed or reduce fees less than what is proposed. The Board of Agriculture and Consumer Services’ Regulatory Advisory Panel, along with VDACS, performed an analysis of different fee reductions and have determined that the fee structure proposed in this action will be adequate to maintain program performance while providing the maximum benefit to pesticide applicators and businesses. Any alternative change to the fee structure would not result in the optimal alignment of the pesticide program’s revenue and expenditures.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) N/A	(b) N/A
(3) Net Monetized Benefit	N/A	
(4) Other Costs & Benefits (Non-Monetized)	N/A	
(5) Information Sources		

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

(1) Direct & Indirect Costs & Benefits (Monetized)	VDACS does not anticipate any impact on local partners. Section 3.2-3931 of the Pesticide Control Act provides an exemption from certification fees for all state agencies, municipal corporations, or other governmental agencies.
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(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) Assistance	N/A	
(5) Information Sources	N/A	

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)	VDACS does not anticipate any impact on families.	
(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

<p>(1) Direct & Indirect Costs & Benefits (Monetized)</p>	<p>The proposed change will have a direct benefit to small businesses. The vast majority of licensed pesticide businesses in Virginia are small businesses. This change will reduce the fees paid by these businesses as well as the employees who maintain the various certifications. The proposed amendments will lower the fees for (i) commercial applicator certification from \$100 to \$25, (ii) commercial applicator certification reexamination from \$100 to \$25, (iii) an additional category or subcategory for commercial applicator certification from \$35 to \$25, (iv) registered technician certification from \$50 to \$25, (v) registered technician certification reexamination from \$50 to \$25, and (vi) pesticide business license from \$150 to \$75.</p> <p>The proposed change will have no direct cost and no indirect cost or benefit on small businesses.</p>	
<p>(2) Present Monetized Values</p>	<p>Direct & Indirect Costs</p>	<p>Direct & Indirect Benefits</p>
	<p>(a) N/A</p>	<p>(b) Approximately \$450,000</p>
<p>(3) Other Costs & Benefits (Non-Monetized)</p>	<p>None</p>	
<p>(4) Alternatives</p>	<p>N/A</p>	
<p>(5) Information Sources</p>	<p>N/A</p>	

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
675-30	(M/A):	0	0	0	0
	(D/A):	0	0	0	0
	(M/R):	0	0	0	0
	(D/R):	5	0	0	0
675-40	(M/A):	0	0	0	0
	(D/A):	0	0	0	0
	(M/R):	0	0	0	0
	(D/R):	6	0	0	0
675-50	(M/A):	0	0	0	0
	(D/A):	0	0	0	0
	(M/R):	0	0	0	0
	(D/R):	3	0	0	0
				Grand Total of Changes in Requirements	(M/A): 0
					(D/A): 0
					(M/R): 0
					(D/R): 0

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

Cost Reductions or Increases (if applicable)

VAC Section(s) Involved*	Description of Regulatory Requirement	Initial Cost	New Cost	Overall Cost Savings/Increases
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675-30	Commercial applicator certificate fee	Certification fee – \$100 Reexamination fee – \$100 Addition of a category - \$35	Certification fee – \$25 Reexamination fee – \$25 Addition of a category - \$25	Cost savings of \$131,250 annually
675-40	Registered technician certificate fee	Certification fee – \$50 Reexamination fee – \$50	Certification fee – \$25 Reexamination fee – \$25	Cost savings of \$117,000 annually
675-50	Business license fee	\$150	\$75	Cost savings of \$202,500 annually

Other Decreases or Increases in Regulatory Stringency (if applicable)

VAC Section(s) Involved*	Description of Regulatory Change	Overview of How It Reduces or Increases Regulatory Burden
N/A	N/A	N/A

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

Title of Guidance Document	Original Word Count	New Word Count	Net Change in Word Count
N/A	N/A	N/A	N/A

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