



Economic Impact Analysis Virginia Department of Planning and Budget

16 VAC 25-35 – Certified Lead Contractor Notification, Lead Project Permits and Permit Fees
Department of Labor and Industry
May 20, 2013

Summary of the Proposed Amendments to Regulation

The Safety and Health Codes Board (Board) proposes to emend its regulations that govern certified lead contractor notification, lead project permits and permit fees to require that the Department of Labor and Industry (DOLI) receive notification of all lead projects commenced in the Commonwealth rather than only projects where the contract price exceeds \$2,000.

Result of Analysis

There is insufficient information to ascertain whether benefits outweigh costs for this proposed regulatory change.

Estimated Economic Impact

Currently, lead contractors who engage in lead abatement projects where contractual payments exceed \$2,000 must notify the Department of Labor and Industry (DOLI). The U.S. Environmental Protection Agency (EPA), however, requires notification for all lead abatement projects without regard to contract price. Although the EPA has not demanded that DOLI change its regulations so that DOLI is notified of all lead abatement projects, DOLI does have an obligation to comply with federal standards. As a consequence, the Board now proposes to amend these regulations so that they conform to the EPA's regulations. This regulatory amendment will require lead contractors to notify DOLI of all lead abatement projects and not just those with a contract price of more than \$2,000. The required notification must include 1) identifying information for all individuals who will be working on the project, 2) identifying information for the owner or operator of the building from which lead will be removed, 3) the

type of notification that is being made, 4) identifying information for the building which is to undergo lead abatement, 5) the estimated amount of lead to be removed and how that amount was estimated, 6) the fee to be submitted to DOLI, 7) scheduled setup date, removal date or dates and completion date and times during which lead abatement activities will take place, 8) name and certificate number of the on-site supervisor for the project, 9) identifying information for the waste disposal site where lead containing materials will be disposed of, 10) a detailed description of the methods to be used to remove lead materials and 11) a description of procedures and equipment used to control the emission of lead-contaminated dust, to contain or encapsulate lead-based paint and replace lead painted surfaces.

Board staff reports that they do not know how many extra projects will be reported per year on account of this regulatory change but suspect that most, if not all, lead abatement projects presently cost more than \$2,000. Board staff further reports that they currently receive an average of four notifications per year for lead abatement projects. Any lead contractors affected by this proposed regulatory change will incur costs for compiling the information required in notifications to DOLI.

Businesses and Entities Affected

Board staff reports that there are 142 lead contractors in the Commonwealth and that most lead contractors are small businesses. All of these individuals, plus owners of properties that may have lead contamination on premises, will likely be affected by this proposed regulatory change.

Localities Particularly Affected

No localities will be particularly affected by these proposed regulations.

Projected Impact on Employment

This proposed regulatory action is unlikely to have any effect on employment in the Commonwealth.

Effects on the Use and Value of Private Property

Affected businesses may incur additional reporting costs on account of this regulatory change only if they contract for lead abatement projects worth \$2,000 or less. To the extent that any business does have to compile information for additional notifications, profits for those

businesses will likely see a very small decrease that is equal to the cost of compiling information and conveying it to DOLI.

Small Businesses: Costs and Other Effects

Affected small businesses may incur additional reporting costs on account of this regulatory change only if they contract for lead abatement projects worth \$2,000 or less.

Small Businesses: Alternative Method that Minimizes Adverse Impact

There are likely no alternative methods that would both further minimize any adverse impact and meet EPA standards.

Real Estate Development Costs

This regulatory action may slightly increase real estate development costs in the Commonwealth only for real estate development projects which include a lead abatement contract worth \$2,000 or less.

Legal Mandate

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.04 of the Administrative Process Act and Executive Order Number 14 (10). Section 2.2-4007.04 requires that such economic impact analyses include, but need not be limited to, a determination of the public benefit, the projected number of businesses or other entities to whom the regulation would apply, the identity of any localities and types of businesses or other entities particularly affected, the projected number of persons and employment positions to be affected, the projected costs to affected businesses or entities to implement or comply with the regulation, and the impact on the use and value of private property. Further, if the proposed regulation has an adverse effect on small businesses, Section 2.2-4007.04 requires that such economic impact analyses include (i) an identification and estimate of the number of small businesses subject to the regulation; (ii) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the regulation, including the type of professional skills necessary for preparing required reports and other documents; (iii) a statement of the probable effect of the regulation on affected small businesses; and (iv) a description of any less intrusive or less costly alternative methods of

achieving the purpose of the regulation. The analysis presented above represents DPB's best estimate of these economic impacts.