



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

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### **9 VAC 20-80 – Solid Waste Management Regulations Department of Environmental Quality July 5, 2005**

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The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.H of the Administrative Process Act and Executive Order Number 21 (02). Section 2.2-4007.H requires that such economic impact analyses include, but need not be limited to, 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. The analysis presented below represents DPB's best estimate of these economic impacts.

### **Summary of the Proposed Regulation**

The Virginia Waste Management Board (board) proposes to eliminate the regulatory provision that requires radio advertisement of tentative decisions to grant or deny applications for variance from solid waste management regulations.

### **Estimated Economic Impact**

Current regulation requires that entities applying for variance from solid waste management regulation arrange for, and bear the cost of, a radio advertisement announcing the tentative outcome of their application. The board proposes to eliminate this requirement because:

- Neither Federal nor State code contains any provision that would mandate radio advertisement of variance decisions.

- Many radio stations refuse to run these advertisements except as public service announcements with no guarantees as to when they will run and no certification that they have run.
- Advertisements in local newspapers are more easily tracked, are more likely to reach a wider portion of the public and will still be required. In addition, the Department of Environmental Quality (DEQ) maintains a website where the public can read about all regulatory actions including those involving applications for variance. DEQ also maintains an email list to inform the public of regulatory actions.

It is worth noting that this proposed change is technical and does not affect the environmental standards that must be maintained under current regulation nor does it eliminate the requirement that the public receive notification of variance applications. There is no indication that the public will be harmed by the proposed regulatory change as there is no indication that these ads were even minimally useful as a method of information propagation. DEQ staff report that they have never received any public comments about variance applications because of radio advertisement. As noted above, the more effective means of informing the public will still be employed.

Radio advertisement adds between \$15 and \$250 to the accounting cost of obtaining a variance. In addition, affected businesses and individuals must spend their time and energy, both of which have economic value, booking ad time. Eliminating the requirement for radio advertisement will make the variance process less costly and burdensome for the regulated community.

## **Businesses and Entities Affected**

The proposed regulation will affect all businesses and entities who submit applications for variance from solid waste management regulation. Approximately 25 applications per year are processed by DEQ.

## **Localities Particularly Affected**

All localities in Virginia will be affected by the proposed regulation.

## **Projected Impact on Employment**

The proposed regulation is not likely to have a discernable effect on employment in Virginia. While there will be an economic benefit for variance seekers who will no longer have to spend their time and money arranging radio advertisement; that benefit, \$15 plus to \$250 plus<sup>1</sup> for each variance application, is too small to affect employment.

## **Effects on the Use and Value of Private Property**

The proposed regulation changes the variance process in a very minimal, albeit worthwhile, way. Insofar as costs associated with applying for a variance are reduced, the value of the business making the application will increase.

## **Small Businesses: Reporting, Recordkeeping, & Administrative Costs**

The proposed regulation will eliminate administrative costs associated with finding and paying for radio advertisement during the variance process. These costs are comprised of the advertisement air time, which can range between \$15 and \$250, and the value attached to time spent booking the ad and verifying that it has run.

## **Small Businesses: Alternative Method that Minimizes Adverse Impact**

The proposed regulation decreases rather than increases the compliance burden for the regulated community.

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<sup>1</sup> The plus here represents value associated with time spent arranging for radio advertisement as well as time spent trying to verify that that advertisement has run.