

Adverse impact notification sent to Joint Commission on Administrative Rules, House Committee on Appropriations, and Senate Committee on Finance (COV § 2.2-4007.04.C): Yes Not Needed

If/when this economic impact analysis (EIA) is published in the *Virginia Register of Regulations*, notification will be sent to each member of the General Assembly (COV § 2.2-4007.04.B).



Virginia Department of Planning and Budget Economic Impact Analysis

2 VAC 5 •675 Regulations Governing the Pesticide Fees Charged by the Department of Agriculture and Consumer Services
Department of Agriculture and Consumer Services
Town Hall Action/Stage: 4753 / 8043
November 15, 2017

Summary of the Proposed Amendments to Regulation

The Board of Agriculture and Consumer Services (Board) proposes fee increases for commercial pesticide applicator certification, registered technician certification, pesticide business licensure, and pesticide product registration to reflect actual costs of program implementation.

Result of Analysis

The benefits likely exceed the costs for all proposed changes.

Estimated Economic Impact

Background

Pesticides are used for the control of pests that adversely affect crops, structures, human health, and domestic animals. Given the risk associated with the application of pesticides to both human health and the environment, the use of pesticides is highly regulated at the federal and state level. The Virginia Department of Agriculture and Consumer Services' (VDACS) pesticide programs protect human health and the environment by ensuring the proper use of pesticides. These programs include the certification of pesticide applicators, the licensing of pesticide

businesses, the registration of pesticide products, and inspections and investigations to ensure compliance with all applicable laws and regulations.

Proposed Fee Increases

VDACS collects fees to fund its activities. The current certification fees for pesticide applicators and licensing fees for pesticide businesses have not been updated since 1990. The current pesticide product registration fee has not been updated since 1999. Given inflation, particularly for personal services and information technology, current fees do not provide adequate funding for the pesticide programs. Consequently, the Board proposes to raise registration, certification, and licensing fees as described in the following table.

	Current Fee	Proposed Fee
Pesticide product registration fee	\$160	\$225
Commercial applicator certificate fee (initial)	\$70	\$100
Commercial applicator certificate fee (biennial renewal)	\$70	\$100
Commercial applicator reexamination fee	\$70	\$100
Registered technician certificate fee (initial)	\$30	\$50
Registered technician certificate fee (biennial renewal)	\$30	\$50
Registered technician reexamination fee	\$30	\$50
Pesticide business licensing fee (annual)	\$50	\$150

The fee increases for the affected firms and individuals are relatively moderate. Given the likely benefit of protection of human health and the environment through the continuance of the pesticide programs, the benefit of the proposed amendments likely exceeds the cost.

Businesses and Entities Affected

The proposed amendments affect the approximate 3,000 licensed pesticide businesses, 18,000 certified applicators, including commercial applicators and registered technicians, and

1,550 registrants of pesticide products. The vast majority of the licensed pesticide businesses and employers of certified applicators are likely small businesses.¹

Localities Particularly Affected

The proposed amendments do not disproportionately affect particular localities.

Projected Impact on Employment

The proposed amendments do not significantly affect employment.

Effects on the Use and Value of Private Property

The proposed amendments do not significantly affect the use and value of private property.

Real Estate Development Costs

The proposed amendments do not significantly affect real estate development costs.

Small Businesses:

Definition

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.”

Costs and Other Effects

The proposed amendments moderately increase costs for small firms that distribute, store, sell, recommend for use, mix, or apply pesticides.

Alternative Method that Minimizes Adverse Impact

Not raising fees could potentially put the pesticide programs in jeopardy. There are no clear alternatives that minimize the adverse impact on small firms while maintaining the pesticide programs.

Adverse Impacts:

Businesses:

The proposed amendments moderately increase costs for firms that distribute, store, sell, recommend for use, mix, or apply pesticides.

¹ Data sources: Virginia Department of Agriculture and Consumer Services

Localities:

The proposed amendments do not adversely affect localities.

Other Entities:

The proposed amendment does not adversely affect other entities.

Legal Mandates

General: The Department of Planning and Budget 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 Number 17 (2014). Code § 2.2-4007.04 requires that such economic impact analyses determine the public benefits and costs of the proposed amendments. Further the report 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.

Adverse impacts: Pursuant to Code § 2.2-4007.04(C): 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 within the 45-day period.

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 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.