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

**2 VAC 20-60 – Regulations for Pesticide Containers and Containment Under Authority of the Virginia Pesticide Control Act**
**Department of Agriculture and Consumer Services**
December 8, 2011

## Summary of the Proposed Amendments to Regulation

Part 165 of Title 40 of the Code of Federal Regulations, *Pesticide Management and Disposal*, establishes standards for container design and residue removal in non-refillable pesticide containers, standards for container design in refillable pesticide containers, standards for repackaging pesticide products into refillable containers, and standards for pesticide containment structures. The Pesticide Control Board proposes to promulgate equivalent regulations.

## Result of Analysis

The benefits likely exceed the costs for all proposed changes.

## Estimated Economic Impact

According to the Virginia Department of Agriculture and Consumer Services (Department), the enforcement of the current federal regulations utilizing the federal credentials issued to Virginia's pesticide investigators by the Environmental Protection Agency (EPA) is sufficient to demonstrate compliance with the federal rule. However, the promulgation of Virginia's own regulations would allow more flexibility and greater discretion in the enforcement of pesticide container and containment requirements based on Virginia's unique needs and conditions. The health, safety, and welfare of Virginians would not be adversely affected because the proposed regulations are equivalent to those currently in place at the federal level. Moreover, the enforcement of a state pesticide container and containment regulation would be more cost-effective since under the proposed regulations, investigators would be able to perform container and containment inspections in conjunction with other inspection activities at all applicable sites.

It is a violation of EPA policy for state investigators, during the same visit to any given facility, to conduct any type of pesticide inspection not related to the container and containment inspection being conducted under the investigator's federal credentials. With 50 regulated sites in Virginia that receive a state inspection and a container and containment inspection once a year, the proposed regulations would enable a reduction in duplicative travel that the Department anticipates will result in savings of approximately $20,000. Additionally, compliance actions under a state pesticide container and containment regulation will be processed more quickly and in accordance with Virginia-specific administrative processes and penalty matrix. The federal compliance process can be lengthy, often taking a year or longer to reach resolution.

## Businesses and Entities Affected

Pesticide registrants, retailers, distributors, commercial applicators, custom blenders, and end-users may all be affected by the proposed regulations. The Department estimates that approximately 50 facilities will be required to comply with the proposed regulations, the vast majority of these facilities being small businesses.

## Localities Particularly Affected

The proposed amendments do not disproportionately affect particular localities.

## Projected Impact on Employment

The promulgation of these regulations will not significantly affect employment.

## Effects on the Use and Value of Private Property

The promulgation of these regulations will not significantly affect the use and value of private property.

## Small Businesses: Costs and Other Effects

The promulgation of these regulations will not significantly affect costs for small businesses.

## Small Businesses: Alternative Method that Minimizes Adverse Impact

The promulgation of these regulations will not adversely affect small businesses.

## Real Estate Development Costs

The promulgation of these regulations will not affect real estate development costs.

## 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, 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 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.