



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

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**18 VAC 155-20 – Waste Management Facility Operators Regulations**  
**Department of Professional Occupational Regulation**  
May 29, 2014

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### **Summary of the Proposed Amendments to Regulation**

The proposed change will consolidate all composting requirements that exist in Class I and II licenses into only the Class I license.

### **Result of Analysis**

There is insufficient data to accurately compare the magnitude of the benefits versus the costs. Detailed analysis of the benefits and costs can be found in the next section.

### **Estimated Economic Impact**

The proposed change will consolidate all composting requirements that exist in Class I and II licenses into only the Class I license. Currently, a Class I license is for composting yard waste in addition to transfer stations. A Class II license is for composting municipal solid waste as well as all types of landfills. A Class I licensee is required to obtain a Class II license to be able to compost municipal waste. With the proposed change, a Class I licensee will be allowed to compost municipal waste. The Board plans to pull out all composting questions currently in the Class II exam and put them in the Class I exam to ensure competency of the operators.

Under the proposed change, Class I licensees will not be required to obtain a Class II license to compost municipal waste. These individuals will save the \$75 application fee, \$225 exam fee, and time and travel costs associated with taking the Class II exam. Municipalities generally pay for the application fee and exam fee for their operators. There may also be a small expense from the examination vendor to make adjustments to the examinations for Class I and Class II licenses. The Board staff estimates that there are approximately 10 individual applicants

per year performing composting. However, there is no accurate data to estimate the number of individuals who only have Class I license and who would perform municipal waste composting.

Since the Board will test for municipal composting competency in the Class I license, no adverse environmental risks are expected from future applicants due to this change. However, since all current Class I licenses will be allowed to perform municipal waste composting and will not be tested for their competency, there exists a slight possibility that an incompetent operator may perform municipal waste composting. The Board staff points out that the current Class I license exam covers the basics of all types of composting; the industry is self regulating to avoid citations; and continuing education is required. Thus, the Board staff believes that any adverse environmental risk that may be posed by this change is negligible and that the proposed regulation will effectively protect the health, safety, and welfare of the public.

### **Businesses and Entities Affected**

The Board staff estimates that there are 162 individuals who currently hold only a Class I license and approximately 10 individual applicants per year performing composting. However, there is no accurate data to estimate the number of individuals who only have Class I license and who would perform municipal waste composting. In addition, there are only 3 landfills composting municipal waste in the Commonwealth.

### **Localities Particularly Affected**

The proposed regulation applies throughout the Commonwealth.

### **Projected Impact on Employment**

The proposed change is unlikely to significantly affect employment.

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

The proposed change is unlikely to significantly affect the use and value of private property.

### **Small Businesses: Costs and Other Effects**

Facilities composting waste are either large businesses or governmental entities. Thus, the proposed amendment is unlikely to affect small businesses.

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

The proposed amendment is unlikely to adversely affect small businesses.

## Real Estate Development Costs

The proposed amendment is unlikely to affect real estate development costs.

## Legal Mandate

**General:** The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with § 2.2-4007.04 of the Code of Virginia and Executive Order Number 14 (2010). Section 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:

- the projected number of businesses or other entities to whom the proposed 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.

**Small Businesses:** If the proposed regulation will have an adverse effect on small businesses, § 2.2-4007.04 requires that such economic impact analyses include:

- an identification and estimate of the number of small businesses subject to the proposed regulation,
- 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,
- a statement of the probable effect of the proposed regulation on affected small businesses, and
- a description of any less intrusive or less costly alternative methods of achieving the purpose of the proposed regulation.

Additionally, pursuant to § 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 (JCAR) is notified at the time the proposed regulation is submitted to the *Virginia Register of Regulations* for publication. This analysis shall represent DPB's best estimate for the purposes of public review and comment on the proposed regulation.

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