



**Department of Planning and Budget**  
**2026 General Assembly Session**  
**State Fiscal Impact Statement**

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**Fiscal Analysis:** This fiscal impact is preliminary. It is anticipated that DEQ will require \$41.6 million in one-time costs, \$7.15 million per year in ongoing costs, and five positions to carry out the requirements of this bill. These amounts reflect costs associated with notification systems, reporting infrastructure, staffing, and establishment of new air quality monitoring sites. The bill assigns new duties to DEQ that are not part of existing air permitting and compliance activities and are not absorbable within the Air Protection Program.

The bill requires DEQ to notify property owners within one-quarter mile of a data center when backup generators operate continuously for more than four hours and to receive and publicly post monthly emissions, pollutant, fuel, and operating-parameter reports. To implement these requirements, DEQ would establish electronic portals to receive generator-operation notifications and monthly compliance reports, at a combined one-time cost of \$200,000. DEQ would also modify at least 184 existing data center air permits to incorporate monthly submission requirements. Ongoing administration of these functions would require three positions at \$450,000 per year: one position to operate and maintain the generator-operation reporting and notification process, one position to develop and maintain a database of property owners within one-quarter mile of affected data centers, including updates due to property transfers, and one position to administer monthly report intake, review, and public posting.

The bill further requires DEQ to establish and maintain air quality monitoring sites in localities with specified concentrations of backup generators, with sites located within one-quarter mile of clusters of generators. Based on bill thresholds and siting criteria, DEQ has assumed installation of one monitoring site per currently permitted data center. Under this approach, DEQ estimates \$41.4 million in one-time construction and installation costs for monitoring sites and \$6.4 million per year in operating costs, calculated using a per-site construction cost of \$225,000 and an annual operating cost of \$35,000 per site.

The bill also requires DEQ to notify infant and early childhood daycares, preschools, elementary schools, and secondary schools when certain air permit applications are filed for new or modified emissions sources within 3,000 feet that are expected to emit hazardous air pollutants or toxic air contaminants. DEQ indicates this requirement would be implemented as part of the air permitting process and would apply broadly to permit applications beyond data centers. DEQ estimates this function would require two positions, at \$300,000 per year, based on processing an estimated 300 applicable permit applications annually.

Finally, the bill requires DEQ, in collaboration with VDH, to assess cumulative human health impacts of backup generator emissions in jurisdictions where there are at least 100 such backup generators. DEQ indicates that the cost of conducting a single cumulative health impact study is \$300,000; however, it is not possible to determine how many such studies will be required. VDH anticipates that any workload associated with this requirement would be absorbable within existing resources.

**Other:** None.