



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

**Position Impact:**

| <u>Agency</u> | <u>FY2026</u> | <u>FY2027</u> | <u>FY2028</u> | <u>FY2029</u> | <u>FY2030</u> | <u>FY2031</u> |
|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| DEQ (440)     | 0             | 0             | 0             | 51            | 51            | 51            |
| <b>TOTAL</b>  |               |               |               | <b>51</b>     | <b>51</b>     | <b>51</b>     |

**Fiscal Analysis:** This impact estimate is preliminary. The bill is expected to result in an ongoing general fund expenditure impact to DEQ of \$9.2 million per year and 51 positions, allocated across the agency’s Water Protection, Air Protection, and Land Protection programs at 11 percent, 82 percent, and seven percent, respectively. The bill has a delayed effective date of July 1, 2028.

Requirements in the bill apply to any permit, other than permits by rule or certain general water permits, issued for a covered activity. Covered activity is defined by facility type and includes construction, expansion, or operation of specified facilities and sources, including major sources of air pollution; solid and hazardous waste facilities; sewage treatment plants above the specified capacity; fossil fuel-fired generating facilities and compressor stations; mines; methane capture facilities; asphalt concrete plants; and data centers. The bill’s requirements apply to initial permit applications as well as permitting actions for covered facilities, including renewals, reissuances, and modifications. DEQ is also required to make and document threshold applicability determinations on whether a permit action involves a covered activity and whether the proposed activity occurs in or could affect an environmental justice community.

DEQ indicates that implementation would add, on average, 430 staff-hours per permit action subject to the bill’s requirements. This workload reflects the required procedural steps and the associated record development needed to support permit determinations, and it is expected to be distributed across multiple functions, including permit writers and technical reviewers, environmental justice analysts, public participation and communications staff, hearing staff as needed. For each covered permit action, the bill requires DEQ to review and approve a site-specific public participation plan prior to application; conduct a public meeting in the relevant locality; publish applicant-provided information on DEQ’s website; ensure certified interpreter availability for non-English speakers; receive and manage public comments; review transcripts and comment summaries included with the application; review environmental justice impact statements when required, including analysis of environmental stressors, public health stressors, and cumulative impacts; determine whether the proposed activity would cause or contribute to adverse impacts, including adverse cumulative impacts, and compare those impacts to impacts borne by other communities within the relevant geographic unit; require and review mitigation plans when triggered by DEQ findings; schedule and conduct a public hearing with expanded notice requirements; review hearing records and additional written comments; and prepare final permit determinations applying the bill’s approval, denial, and permit condition standards, including evaluation of applicant compliance with the section’s procedural requirements.

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Based on an average of 249 permit actions per year subject to the bill, DEQ calculates that 430 staff hours per permit equals 107,070 staff hours annually, which equates to 51 positions using a 2,080-hour work year. DEQ also reports non-personnel costs of \$9,356 per permit for court reporters, newspaper publications, radio and cable notices, and language interpretation services. Using these calculations, DEQ estimates total ongoing costs of \$9.2 million per year. DEQ indicates that this estimate reflects the minimum workload for an average covered permit action and does not include additional workload associated with changes in permit volume, additional meetings resulting from public participation plans, mitigation plan development and iterative review beyond initial submittal, or increases in covered permitting activity over time.

Any potential offset of these costs through existing permitting fees is indeterminate and would occur, if at all, over the long term. While some DEQ permit programs include fee structures intended to recover a portion of program costs, the bill creates new procedural and analytical workload that spans multiple permitting programs and agency functions and is not attributable to a single permit category. The bill does not authorize fee increases or modify existing fee statutes. As a result, any fee-based cost recovery would be uneven across permits, dependent on future actions, and insufficient to fully offset the additional workload created by the bill.

DEQ anticipates incurring indeterminate costs in FY 2028 for preparatory activities undertaken prior to the bill's July 1, 2028, effective date. These activities consist of developing standards, criteria, and internal procedures necessary to implement the bill, including analytical frameworks for evaluating environmental justice impacts, cumulative and comparative impact determinations, and mitigation plan requirements, as well as coordination across permitting programs to support implementation.

**Other:** Line 150: Subsection H states "upon a determination pursuant to subsection E." Subsection E addresses mitigation plan submission, not the determination of disproportionate impact, which is described in subsection G.