

Department of Planning and Budget 2001 Fiscal Impact Statement

1. Bill Number HB1873

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|------------------------|---------------------------------------|-------------------------------------|--|
| House of Origin | <input type="checkbox"/> Introduced | <input type="checkbox"/> Substitute | <input type="checkbox"/> Engrossed |
| Second House | <input type="checkbox"/> In Committee | <input type="checkbox"/> Substitute | <input checked="" type="checkbox"/> Enrolled |

2. Patron Deeds

3. Committee Passed Both Houses

4. Title Voluntary remediation of contaminated properties

5. Summary/Purpose: The bill would eliminate the requirement that local governments pay registration fees when voluntarily remediating their properties. The bill also would create the Virginia Voluntary Remediation Fund, which would be used to provide grants to local governments for the voluntary remediation of contaminated properties. These provisions would not become effective unless an appropriation effectuating the purposes of the bill is included in an appropriation act up through the 2004 Appropriation Act, passed by the General Assembly, and signed into law by the Governor. The bill also would authorize loans from the Virginia Water Facilities Revolving Fund to local governments, public authorities, partnerships, or corporations for necessary remediation activities undertaken for the purpose of reducing ground water contamination or reducing risk to public health.

6. Fiscal Impact: Final, see Item 8.

7. Budget amendment necessary: No, see Item 8.

8. Fiscal implications: There would likely be a minimal revenue loss to the Department of Environmental Quality associated with elimination of the requirement that local governments pay registration fees when voluntarily remediating their properties.

The bill includes a second enactment clause that states that certain provisions (see Item 5) would not become effective unless an appropriation effectuating the purposes of the bill is included in an appropriation act up through the 2004 Appropriation Act, passed by the General Assembly, and signed into law by the Governor. Because neither the House nor Senate-passed amendments to the 2001 Introduced Budget Bill included funding for these provisions, the provisions would not become effective. Any future fiscal impact associated with this legislation would depend in part on the amounts that may be appropriated to the Virginia Voluntary Remediation Fund and on the demand for grants from the Fund. While there would be additional costs to the Department of Environmental Quality associated with administration of the Fund, the amount of such costs is difficult to determine because it also would depend on the amounts appropriated to the Fund and on the demand for grants from the Fund.

There also could be a fiscal impact associated with expanding the potential use of Virginia Water Facilities Revolving Fund monies. Because the amount of federal funding the Department of Environmental Quality receives for the Fund is based partly on a needs survey, expanding the universe of potential projects could result in additional federal funds. Such additional federal funds would, however, require a state match (\$1 for every \$5 of federal funds).

9. Specific agency or political subdivisions affected: Department of Environmental Quality;
Virginia Resources Authority.

10. Technical amendment necessary: No.

11. Other comments: None.

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cc: Secretary of Natural Resources
Secretary of Commerce and Trade
Secretary of Finance

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