

Department of Planning and Budget 2001 Fiscal Impact Statement

1. Bill Number HB2639

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron Moss

3. Committee Conservation and Natural Resources

4. Title Virginia Water Quality Improvement Fund

5. **Summary/Purpose:** The bill would require that a minimum of \$10 million be deposited annually to the Virginia Water Quality Improvement Fund. Currently, the annual appropriation to the Fund is an amount equal to ten percent of the annual general fund revenue collections that are in excess of the official estimates in the general appropriation act, plus ten percent of any unreserved general fund balance at the close of each fiscal year whose reappropriation is not required in the general appropriation act. Under the legislation, the deposit amount would be the greater of this calculated amount or \$10 million. The bill also would require that the deposit be made no later than August 31 of each year.

6. **Fiscal Impact:** See Item 8.

7. **Budget amendment necessary:** See Item 8.

8. **Fiscal implications:** DPB cannot estimate any fiscal impact associated with this bill because any impact would depend on whether or not the \$10 million “trigger” is met. For example, the bill would have no effect in any fiscal year in which the deposit as mandated under current law is at least \$10 million. For illustrative purposes, the following table details the annual deposits made to the Virginia Water Quality Improvement Fund under the current funding formula.

Fiscal Year	Department of Environmental Quality	Department of Conservation and Recreation	Total
2000	\$27,637,650	\$9,831,250	\$37,468,900
2001	\$10,300,000	\$11,000,000	\$21,300,000
2002	\$2,692,000	\$0	\$2,692,000

9. **Specific agency or political subdivisions affected:** Department of Environmental Quality; Department of Conservation and Recreation; Department of Accounts.

10. **Technical amendment necessary:** Yes. On line 16, insert “other” before “provision of law”.

11. Other comments: Because the bill would require that the deposit be made no later than August 31 of each year, the State Comptroller would need to accrue a liability for the transfer amount on the Comprehensive Annual Financial Report. This would have the effect of reducing the GAAP-basis general fund balance. Under GAAP-basis accounting procedures, any such deposits required to be made within the first 60 days of a fiscal year-end close must be accrued as a liability. Depending on the amount to be transferred, the Auditor of Public Accounts could require that the transfer amount be reserved on the General Fund Preliminary Annual Report. The bill also includes language precluding the general appropriation act from including any contrary provisions.

Date: 01/17/01 / mar

Document: mar F:\MAR\LEGIS\2001\HB2639.DOC

cc: Secretary of Natural Resources
Secretary of Finance

PDF Created 1/19/2001 6:14:06 PM