

Department of Planning and Budget 2004 Fiscal Impact Statement

1. Bill Number SB 386

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

2. Patron Norment

3. Committee Passed Both Houses

4. Title Air emissions trading program

5. Summary/Purpose: The bill would prohibit the Commonwealth from selling, by auction or other method, the set-aside allowances allocated to new sources of nitrogen oxide emissions. The bill also provides, however, that this prohibition should not be construed to interfere with, apply to, or affect the auction of Virginia's allocation of nitrogen oxide pollution credits set aside for new sources of electric power generation and other facilities for the years 2004 and 2005 as authorized by Chapter 1042 of the Acts of Assembly of 2003.

6. Fiscal impact: Chapter 1042, the 2003 Appropriation Act, assumes \$8.8 million in revenues in FY 2004 from such an auction. Chapter 1042 also includes language in Item 383 authorizing the Department of Environmental Quality to auction these allowances. The conferees, however, increased the estimate of revenues from the auction by \$3.1 million for a total of \$11.9 million in projected revenues. The upcoming auction would not be affected by the bill's prohibition.

7. Budget amendment necessary: No.

8. Fiscal implications: See Item 6.

9. Specific agency or political subdivisions affected: Department of Environmental Quality.

10. Technical amendment necessary: No.

11. Other comments: None.

Date: 03/25/04 / mar

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cc: Secretary of Natural Resources
Secretary of Finance