

Department of Planning and Budget 2004 Fiscal Impact Statement

1. Bill Number: SB420

House of Origin ☐ Introduced ☒ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Wagner

3. Committee: Agriculture, Conservation, and Natural Resources

4. Title: Newport News reservoir project; Marine Resources Commission to convey easement

5. Summary/Purpose: The bill authorizes the Virginia Marine Resources Commission to convey a permanent easement of approximately 0.9 acres in the Mattaponi River, in King William County, to the City of Newport News for the purpose of constructing a raw water intake structure to provide water supply for the Newport News reservoir project.

6. Fiscal impact estimates are: Preliminary.

6b. Revenue Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2003-04	\$0	
2004-05	(\$40,000 - \$45,000)	nongeneral
2005-06	\$0	
2006-07	\$0	
2007-08	\$0	
2008-09	\$0	
2009-10	\$0	

7. Budget amendment necessary: No.

8. Fiscal implications: The total acreage for the permanent easement is 0.9 acres. The royalty schedule published by the Marine Resources Commission in their Subaqueous Guidelines authorizes a royalty assessment of between 30 cents and \$2.00 per square foot for the use of state-owned bottomland. The provisions of the bill would make the bottomland ineligible for the royalty assessment, so the potential revenue will not be realized. According to the Marine Resources Commission, the recommended assessment for a use as a raw water intake structure would usually be \$1.00 per square foot, for a total royalty revenue of \$40,000 to \$45,000. The royalty revenue would be one-time.

9. Specific agency or political subdivisions affected: Marine Resources Commission, City of Newport News.

10. Technical amendment necessary: No.

11. Other comments: The bill is a companion to House Bill 797.

Date: 1/29/04

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cc: Secretary of Natural Resources