

Department of Planning and Budget

2005 Fiscal Impact Statement

1. Bill Number SB 1235

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

2. Patron Quayle

3. Committee Finance

4. Title Moneys for nutrient removal technology

5. Summary/Purpose: The bill would provide that, on July 15, 2005, the Comptroller must deposit \$50 million from the general fund into the Water Quality Improvement Fund to finance the costs of design and installation of biological nutrient removal facilities or other nutrient removal technology at municipal sewage systems designated by the Department of Environmental Quality as significant dischargers. The distribution of financial assistance must be based on the amount of total nitrogen contained in the affected municipal sewage system's effluent in excess of eight milligrams per liter or total phosphorus in excess of one milligram per liter.

The bill also requires that 70 percent of the mandatory Water Quality Improvement Fund deposit must be distributed to the Department of Conservation and Recreation (nonpoint source pollution) and 30 percent must be distributed to the Department of Environmental Quality (point source pollution). The bill also establishes a formula for financing the costs of the design and installation of biological nutrient removal facilities or other nutrient removal technology at publicly owned treatment works that is based on the financial need of the community as determined by comparing the annual sewer charges expended within the service area to the reasonable sewer cost established for the community.

The bill also requires that the House Committee on Agriculture, Chesapeake and Natural Resources, the House Committee on Appropriations, the Senate Committee on Agriculture, Conservation and Natural Resources, and the Senate Committee on Finance must by January 15, 2006, develop recommendations for a permanent source of funding for the design and installation of biological nutrient removal facilities or other nutrient removal technology at municipal sewage systems designated by the Department of Environmental Quality as significant dischargers.

6. Fiscal impact: Fiscal impact estimates are final.

6a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2004-05	\$0	0.00	N/A
2005-06	\$50,000,000	0.00	General fund (0100)
2006-07	\$0	0.00	N/A
2007-08	\$0	0.00	N/A
2008-09	\$0	0.00	N/A
2009-10	\$0	0.00	N/A
2010-11	\$0	0.00	N/A

- 7. Budget amendment necessary:** Yes. However, SB 700 as passed by the Senate includes a budget amendment to deposit an additional \$57 million into the Water Quality Improvement Fund in FY 2005.
- 8. Fiscal implications:** See Item 6.
- 9. Specific agency or political subdivisions affected:** Department of Environmental Quality; Department of Conservation and Recreation.
- 10. Technical amendment necessary:** It should be clarified that the additional \$57 million appropriation included in SB 700 as passed by the Senate meets the requirements of this bill.
- 11. Other comments:** None.

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cc: Secretary of Natural Resources