

Department of Planning and Budget
2005 Fiscal Impact Statement

1. Bill Number SB 810

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

2. Patron Williams

3. Committee Agriculture, Conservation and Natural Resources

4. Title Grants for biological nutrient removal technology

5. Summary/Purpose: The bill would require the Department of Environmental Quality to enter into grant agreements to finance at least 50 percent of the costs of designing and installing nutrient removal technology at publicly owned treatment works to meet Virginia Pollutant Discharge Elimination System permit effluent limits for total nitrogen and total oxygen, based upon waste load allocations derived from standards established to protect beneficial uses in the Chesapeake Bay and its tidal tributaries. Under the provisions of the bill, in any year in which insufficient funds were available to reimburse all eligible costs that were incurred under grant agreements, the agency would reimburse such costs to each recipient on a pro rata basis.

6. Fiscal impact: While the bill could impact the allocation of funds provided for grants for biological nutrient removal technology, it would not impact the total funding available for such purposes. The bill would, however, result in an increased long-term liability for the Water Quality Improvement Fund. According to the Department of Environmental Quality, grant commitments to reimburse facilities for eligible costs could exceed \$500 million. However, this is consistent with the Commonwealth's current policy of funding 50 percent of the costs for these projects.

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: 02/01/2005 / mar

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cc: Secretary of Natural Resources