

## Department of Planning and Budget 2007 Fiscal Impact Statement

**1. Bill Number:** HB2384

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

**2. Patron:**        May

**3. Committee:** Agriculture, Chesapeake, and Natural Resources

**4. Title:**            Uniform environmental covenant

**5. Summary/Purpose:** The bill authorizes the Department of Environmental Quality to enter into environmental covenants with interest holders in real property that restrict the use of the real property. The covenants are intended to survive transfers of ownership interests in the land or operations of law that may otherwise terminate the covenant. The bill spells out the recordation process and notice to subsequent holders of interest. Prior held interests are not affected by the covenant.

**6. Fiscal Impact Estimates are:** Preliminary.

**6a. Expenditure Impact:**

| <i>Fiscal Year</i> | <i>Dollars</i> | <i>Positions</i> | <i>Fund</i>  |
|--------------------|----------------|------------------|--------------|
| 2007-08            | \$120,000      | 1.00             | General Fund |
| 2008-09            | \$120,000      | 1.00             | General Fund |
| 2009-10            | \$120,000      | 1.00             | General Fund |
| 2010-11            | \$120,000      | 1.00             | General Fund |
| 2011-12            | \$120,000      | 1.00             | General Fund |
| 2012-13            | \$120,000      | 1.00             | General Fund |

**7. Budget amendment necessary:** Yes, Item 361 (Land Protection).

**8. Fiscal implications:** The Department of Environmental Quality estimates that it would need one additional position (with legal knowledge, skills, and abilities) to review and enforce the covenants to be developed. The department estimates that the annual costs for salary, fringe benefits, and nonpersonal services would be approximately \$120,000 per year.

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

**10. Technical amendment necessary:** No.

**11. Other comments:** None.

**Date:** 1/26/07 kbs

**Document:** G:\07 FIS\DEQ\HB2384.Doc

**cc:** Secretary of Natural Resources