

## Department of Planning and Budget 2010 Fiscal Impact Statement

**1. Bill Number:** HB46

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

**2. Patron:**        Oder

**3. Committee:** Passed Both Houses

**4. Title:**        **Virginia Disaster Response Fund; hazardous materials in dwellings.**

**5. Summary:** Creates the Virginia Defective Drywall Correction and Restoration Assistance Fund to promote the correction and restoration of residential property affected by the environmental problems attributable to defective drywall used in new construction or renovation that occurred between 2001 and 2008. The Fund will be administered by the Virginia Resources Authority (VRA) and the Department of Housing and Community Development (DHCD). Under the bill, DHCD would develop guidelines for the distribution of loans or grants from the Fund to particular recipients. The grants and loans may be used to pay the reasonable and necessary costs associated with (i) the remediation of a contaminated property to remove hazardous substances, hazardous wastes, or solid wastes, (ii) the stabilization or restoration of such structures or (iii) the demolition and removal of the existing structures or other work necessary to remediate or reuse the real property.

**6. Fiscal impact estimates are final.** See item 8, below.

**7. Budget Amendment Necessary:** No.

**8. Fiscal Implications:** VRA will administer and manage the Fund and establish the interest rates and repayment terms for loans made to eligible entities or individuals in accordance with a memorandum of agreement with DHCD. DHCD will direct the distribution of loans or grants from the Fund to particular recipients based upon guidelines developed for this purpose. With approval from DHCD, VRA will execute disbursements from the Fund.

Grants may be provided to local governments. Loans may be provided to local governments, public authorities, corporations, partnerships, or individuals.

It is anticipated that DHCD may incur some costs in developing guidelines for and administering the new program; however, any costs are anticipated to be minimal and could be absorbed within existing resources.

**9. Specific Agency or Political Subdivisions Affected:** Department of Housing and Community Development, Virginia Resources Authority, localities.

**10. Technical Amendment Necessary:** Yes. Lines 81 and 82. Strike “Executive Director of the Virginia Economic Development Partnership” and insert “Director of the Department of Housing and Community Development”.

**11. Other Comments:** None.

**Date:** 3/30/2010 tmw

**Document:** G:\2010 Session\Legislation\HB46ER.Doc