

Department of Planning and Budget 2010 Fiscal Impact Statement

1. Bill Number: SB686

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

2. Patron: Reynolds

3. Committee: Passed both houses.

4. Title: Uniform environmental covenants.

5. Summary: This 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. The bill authorizes the Department of Environmental Quality to establish fees to be paid by the fee simple owner of the real estate subject to the covenant in order to fund the program.

6. Fiscal Impact Estimates: Final. See item 8.

7. Budget Amendment Necessary: No.

8. Fiscal Implications: This bill authorizes the Department of Environmental Quality to establish fees to be paid by fee simple owners. Since the number of fee simple owners is unknown at this point, the fiscal impact of this bill is indeterminate. The revenue generated by this bill would be collected by the Department but placed into a special nonverting fund known as the Environmental Covenants Fund. Further, this fund and the interest on this fund are not to revert to any general fund.

Any minimal costs associated with this bill could be absorbed the agency.

9. Specific Agency or Political Subdivisions Affected: Department of Environmental Quality.

10. Technical Amendment Necessary: No.

11. Other Comments: The second enactment clause states that the actions of the Department of Environmental Quality relating to the adoption of regulations necessary to implement the provisions of this act shall be exempt from the provisions of the Administrative Process Act (§ 2.2-4000 et seq. of the Code of Virginia). However, the Department shall provide an opportunity for public comment on any such regulations prior to their adoption.

Date: 3/12/2010 dpbbrb

Document: <http://dpb.virginia.gov/efis/fistemplate.doc>