

Department of Planning and Budget 2011 Fiscal Impact Statement

1. **Bill Number:** HB1830

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

2. **Patron:** E. Scott

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

4. **Title:** Resource management plans; allows owners of agricultural land to be in full compliance.

5. **Summary:** This bill allows agricultural landowners or operators who fully implement and maintain a resource management plan to be deemed as being in full compliance with (i) the total maximum daily load (TMDL) allocation under § 303(d) of the Clean Water Act, (ii) requirements of the Virginia Chesapeake Bay TMDL Watershed Implementation Plan (WIP), and (iii) state water quality requirements for nutrients and sediment. The presumption does not extend to those operations (i) required to obtain a Virginia Pollutant Discharge Elimination System Permit, (ii) required to obtain a Virginia Pollution Abatement Permit, (iii) required to comply with the Chesapeake Bay Preservation Act, and (iv) as otherwise required by law to implement a resource management or nutrient management plan. Compliant landowners or operators are eligible to receive (i) matching grants through the Virginia Agricultural Best Management Practices Cost-Share Program, and (ii) state tax credits. The bill requires the Soil and Water Conservation Board to establish regulations specifying the criteria for a resource management plan. The bill also sets-out the specific guidelines for developing these regulations.

6. **Budget Amendment Necessary:** No, see Item 8.

7. **Fiscal Impact Estimates:** Preliminary.

8. **Fiscal Implications:** This bill requires the Soil and Water Conservation Board, which is staffed and overseen by the Department of Conservation and Recreation (DCR) to develop regulations that specify the criteria to be included in a resource management plan. The agency anticipates that the cost of developing these regulations can be absorbed within current resources. However, the regulations are to provide for on-site determinations and actual development and implementation of resource management plans. If it is determined that these actions are to be performed by state agencies, this bill may result in additional costs.

When developing a resource management plan, the best management practices included in each plan must be sufficient to meet the requirements listed by this bill: (i) the TMDL allocation under the Clean Water Act, (ii) the requirements of the Virginia Chesapeake Bay TMDL WIP, and (iii) other state and local total maximum daily load water quality requirements.

A resource management plan is built upon the findings of on-farm assessments, verification and recording of riparian buffers, nutrient management plan implementation, tillage and cropping practices and, where appropriate, livestock stream access. The associated workload for these findings is estimated at 30-40 staff hours per farm and could be accomplished under the voluntary agricultural and forestry best management practices tracking and reporting system which includes on-farm activities as well as off-farm data collection, analysis and recording. The costs of any additional needed best management practices uncovered by the on-farm assessment could be supported through the current Virginia Agricultural Cost-Share Program, Tax Credit Program or completed voluntarily without public funds. As such, costs associated with establishing the foundation upon which a resource management plan is built can be absorbed within current state programs and resources. However, this bill creates an additional workload associated with the development, implementation, and continuing maintenance of resource management plans that may result in a cost to the state.

DCR estimates that the time necessary to complete development of a resource management plan is 10 hours per farm. Assuming that approximately 1,400 farms per year (30 percent of all farms in Virginia as of 2009) want a resource management plan, this could create an additional 14,000 hours of work. This bill does not assign the task of developing resource management plans to any particular governmental entity and does not preclude other knowledgeable private sector persons; thus the cost of personnel to develop the plans may or may not rest with the Commonwealth.

However, assuming that DCR is responsible for providing personnel to develop these plans, it could result in an additional cost to the state of as much as \$455,000 per year. DCR estimates that one trained person could record the farm assessment and establish timelines and schedules for best management practices for 200 farms per year. As such, the workload associated with this bill could require seven additional positions if this responsibility is determined to be under the purview of DCR. DCR estimates the cost of these seven positions at approximately \$455,000 per year (based on a total expense of \$65,000 per year for personnel and support costs). Additionally, the tracking of best management practices, updating of plans as best management practices are accomplished, renewal of plans, and compliance verification may result in an additional cost; the exact cost is not known at this time.

It is not known when any fiscal implications resulting from this bill will materialize, as the bill does not specify an implementation timeline.

The Department of Agriculture and Consumer Services states that any impact resulting from this bill can be absorbed within current resources.

9. Specific Agency or Political Subdivisions Affected: Department of Conservation and Recreation, Department of Agriculture and Consumer Services, Department of Environmental Quality, Soil and Water Conservation Districts.

10. Technical Amendment Necessary: No.

11. Other Comments: According to the 2009 Virginia Agriculture Statistics, there are 47,000 farms in Virginia at an average farm size of 170 acres. Due to the nature of Virginia's landscape the average 170-acre farm might be composed of 10 to 15 separate tracts of land spread over one or more counties.

Date: February 11, 2011

cc: Secretary of Natural Resources
Secretary of Agriculture and Forestry