

Commission on Local Government

Estimate of Local Fiscal Impact
2012 General Assembly Session

Bill: HB 1065 **Patron:** Sherwood **Date:** January 23, 2012

In accordance with the provisions of §30-19.03 of the Code of Virginia, the staff of the Commission on Local Government offers the following analysis of the above-referenced legislation:

I. Bill Summary

HB 1065 integrates elements of the Erosion and Sediment Control Act, the Stormwater Act, and Chesapeake Bay Preservation Act so that these regulatory programs can be implemented in a consolidated and consistent manner, resulting in greater efficiencies (one-stop shopping) for those being regulated. The bill also eliminates the Chesapeake Bay Local Assistance Board and places its responsibilities with the Virginia Soil and Water Conservation Board (SWCB). Current state oversight of local administration of the three Acts would be coordinated.

With respect to localities, the bill requires all cities and counties to adopt a Virginia Stormwater Management Program (VSMP) in accordance with SWCB regulations. Towns would have the option to do so, but if they choose not to, the town would be subject to the parent county's program. Currently, only localities in the eastern third of the state, and in seven urban areas in the balance of the state are required to do so.

The SWCB would be authorized to provide grants for localities to establish a program, and the Department of Conservation and Recreation (DCR) would provide technical assistance and model ordinances. For localities that do not have the resources to administer a VSMP, the bill would permit them to develop partnerships for administration of the program with other entities, such as Soil and Water Conservation Districts, Planning District Commissions, or adjacent localities.

Current law requires the SWCB to establish a statewide permit fee schedule, of which up to 30% would go to the Virginia Stormwater Management Fund for the state oversight of the program, with the remaining portion of the fee being retained by the locality or authority administering the program. Under the bill, with SWCB approval, localities may decrease or increase the fee within their jurisdiction; however, the portion of the fee remitted to the state's fund would remain the same.

II. Fiscal Impact Analysis

The Commission on Local Government (CLG) received fiscal impact statements from 14 localities – the Counties of Campbell, Chesterfield, Henrico, Prince William,

Rappahannock, Spotsylvania and Stafford; the Cities of Danville, Lynchburg, Richmond, Roanoke and Winchester; and the Towns of Christiansburg and Hillsville.

The extension of stormwater management programs to localities that currently do not administer one is where significant fiscal impact is likely; however, these localities would begin collecting fees to cover the cost of the program, based upon the fee schedule created by the SWCB. Localities would be able to increase or decrease the fee as needed, with approval from the SWCB.

The CLG received fiscal impact data from only three localities that currently do not operate a VSMP:

The Town of Hillsville reported a net additional expenditure under \$5,000. (Note: towns would not be mandated to adopt a VSMP; however, their parent county is mandated.)

Campbell County indicated a first year cost of \$15,000 to cover the cost of planning and legal work. They added that they intended to adopt a program prior to the introduction of this bill and stated that extension of these programs will have a significant impact on the cost of private development.

Rappahannock County stated that they anticipate a first year cost of \$7,250, and \$2,500 in annual operating costs; however, \$2,250 was anticipated to be covered by additional revenues.

The proposed bill should not materially change the programs administered by localities that currently administer a VSMP, except that DCR's oversight over the three separate Acts would be consolidated.

Four localities – Henrico County, the Cities of Richmond and Roanoke, and the Town of Christiansburg – all of whom operate a VSMP, anticipated no net additional expenditure. All four of these jurisdictions either indicated that the bill did not apply to them or that their locality already meets the proposed standards.

The CLG received fiscal impact data from six localities that currently operate a VSMP, each of which estimated a net expenditure increase under \$5,000. These localities are: the Counties of Chesterfield, Prince William, Spotsylvania and Stafford and the Cities of Danville and Lynchburg. Of these localities, the Counties of Chesterfield and Stafford and the City of Danville indicated unknown variables that could greatly increase the estimated impact. Chesterfield County indicated that additional administrative requirements could necessitate an additional position, which could cost \$45,000 to \$60,000 annually, whereas Prince William County indicated that it could result in minor reductions in staff time.

The CLG received fiscal impact data from one locality – the City of Winchester – that currently operates a VSMP and estimated a net expenditure increase of \$5,000 or more.

The City estimated a first year net expenditure increase of \$60,000, and a recurring increase of \$55,000 annually. The city anticipates that an additional employee would be required to manage and enforce the program.

This bill is identical to SB 407.

III. Conclusion

The fiscal impact of HB 1065 will vary considerably from locality to locality, depending on several factors, which are likely to include: whether the jurisdiction already administers a stormwater program; the amount of development activity in the locality; the locality's existing fee schedule; the fee schedule that is proposed to be set by the Soil & Water Conservation Board; the level of oversight and amount of reporting that is required by the Department of Conservation and Recreation; and existing staff levels and expertise in the locality.

While the aspects of the bill consolidating the three programs will generally not have a fiscal impact on local governments, it is notable that state oversight should be more coordinated, as opposed to the current situation where separate state evaluations occur for each program, which could potentially reduce the burden upon local governments with existing stormwater programs.