

Department of Planning and Budget

2014 Fiscal Impact Statement

1. **Bill Number:** HB1173-H2

House of Origin ☐ Introduced ☒ Substitute ☐ Engrossed

Second House ☒ In Committee ☐ Substitute ☐ Enrolled

2. **Patron:** Hodges

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

4. **Title:** Stormwater management programs; optional for some localities.

5. **Summary:** Allows any locality that does not operate a municipal separate storm sewer system (MS4) to opt out of establishing Virginia Stormwater Management Programs (VSMP). The Department of Environmental Quality (DEQ) will operate a VSMP on behalf of any locality that does not operate a regulated MS4 and that does not notify DEQ of its decision to participate in the establishment of a VSMP. A locality that decides not to establish a VSMP shall still comply with the requirements required to satisfy the stormwater flow rate capacity and velocity requirements set forth in the Erosion and Sediment Control Law, and the Chesapeake Bay Preservation Act, if applicable. A locality that operates a MS4 that becomes a regulated MS4 on or after January 1, 2014, may elect to defer the implementation of the VSMP until no later than January 1, 2015

In addition, appeals of decisions rendered by localities shall be conducted in accordance with local appeal procedures and shall include an opportunity for judicial review in the circuit court of the locality in which the land disturbance occurs or is proposed to occur.

6. **Budget Amendment Necessary:** No

7. **Fiscal Impact Estimates:** Preliminary, see Item 8.

8. **Fiscal Implications:** The Department of Environmental Quality estimates that the additional costs of administering this program on behalf of localities that opt out of or defer establishing VSMPs could be offset by the additional amount of stormwater construction fees collected. A new fee schedule is set to take effect July 1, 2014, which could generate about \$800,000 in nongeneral fund revenue for this program. Also, the bill could require ten additional positions to administer this program, but these could be filled using current vacancies, and funded with the additional revenue. DEQ needs the additional positions to administer the program for the localities that are not MS4s and do not opt in to the program. DEQ will have to administer their entire VSMP for those localities. The fiscal impact estimate assumes that all non-MS4 localities would opt out of establishing VSMPs, so DEQ would manage the stormwater programs for each of those localities.

In addition, it is anticipated that any additional proceedings in the courts that may result from this legislation can be absorbed with current allocated resources.

9. **Specific Agency or Political Subdivisions Affected:** Department of Environmental Quality, the judicial system, and localities.

10. **Technical Amendment Necessary:** Yes, line 127, delete space before “operate”.

11. **Other Comments:** The enactment clause of this bill exempts the provisions from the Administrative Process Act, and contains an emergency clause. Also, this bill incorporates HB 58, HB 261, and HB 649.

Date: 02/12/2014

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cc: Secretary of Natural Resources