

Department of Planning and Budget 2014 Fiscal Impact Statement

1. Bill Number: SB323

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

2. Patron: Watkins

3. Committee: -

4. Title: Risk management plan for impounding structures.

5. Summary: Risk management plan for impounding structures. Requires the Division of Risk Management, with the approval of the Governor, to establish a risk management insurance plan to provide protection against claims made against a landowner on whose property a dam owned, maintained, or operated by a soil and water conservation district has been situated. The plan would protect the landowner against liability for damage to the property of others or injury to persons resulting from the failure of the dam.

6. Budget Amendment Necessary: No

7. Fiscal Impact Estimates: Indeterminate, see Item 8.

8. Fiscal Implications: The Division of Risk Management (DRM) indicates that coverage for land owners defined in the bill would fall under the Local Government program. The program would extend \$1 million coverage per claim. The Local Government program is self-insured, and DRM states that it would consider purchasing a commercial insurance policy for this coverage. The bill does not state who is responsible for paying the premiums for this insurance policy, and until that fact is clarified, the bill could have fiscal implications.

9. Specific Agency or Political Subdivisions Affected: Department of the Treasury, Department of Conservation and Recreation, soil and water conservation districts

10. Technical Amendment Necessary: The Department of the Treasury notes that as this program would fall under the Local Government program, the code section should be updated from § 2.2-1837 to § 2.2-1839.

DRM notes that the bill does not specify who is responsible for paying premiums associated with the insurance coverage.

11. Other Comments: This bill is identical to HB1033.

Date: January 23, 2014

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