

Department of Planning and Budget

2015 Fiscal Impact Statement

1. **Bill Number:** SB1317

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. **Patron:** Lewis

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

4. **Title:** Virginia Shoreline Resiliency Fund.

5. **Summary:** Establishes the Virginia Shoreline Resiliency Fund for the purpose of creating a low-interest loan program to help residents and businesses that are subject to recurrent flooding. Moneys from the Fund may be used to mitigate future flood damage. The Fund is to be administered by the Virginia Resources Authority.

6. **Budget Amendment Necessary:** No. See item 8, below.

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

8. **Fiscal Implications:** The state fiscal impact is indeterminate since the Fund consists of such monies that are appropriated to it by the General Assembly, and demand for loans from the Fund is unknown. Under the provisions of the bill, the Virginia Resources Authority (VRA) may disburse from the Fund its expenses in the administration of the program.

The bill also provides that VRA shall establish guidelines regarding the distribution of loans from the Fund and prioritization of such loans. VRA does not have the expertise to perform this function. The fiscal impact cannot be determined at this time, but it is anticipated that any additional cost to obtain this expertise will be paid from the Virginia Shoreline Resiliency Fund as part of VRA's administrative expenses associated with the management of the program.

A budget amendment is necessary to capitalize the Fund. VRA is not a state agency, and as such any state funding for VRA's programs is appropriated in a state agency, which then transfers the funding to VRA. An example is the Dam Safety, Flood prevention and Protection Assistance Fund and the Department of Conservation and Recreation.

9. **Specific Agency or Political Subdivisions Affected:** The Virginia Resources Authority; localities.

10. **Technical Amendment Necessary:** No.

11. **Other Comments:** The bill states that the Fund shall consist of receipts from loans made by it to local governments, but does not specially state that loans from the Fund are to local governments.

Additionally, the bill may need to specify that loans from the Fund are to local governments, and that they may establish a low-interest loan program for residents and businesses.

Date: 01/26/2015

cc: Secretary of Natural Resources