

Department of Planning and Budget 2017 Fiscal Impact Statement

1. Bill Number: HB1774

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 and erosion control; local rural development growth areas; best management practices.

5. Summary: Directs the State Water Control Board to adopt regulations establishing a rural development growth (RDG) area program for adoption by certain localities. The bill requires each RDG area to follow a public road and requires development in an RDG area to obey certain existing regulatory minimum standards. The bill also directs the Board to adopt regulations allowing the operation of regional stormwater best management practices banks (RSP banks) in Planning District 18, which consists of the Counties of Essex, Gloucester, King and Queen, King William, Mathews, and Middlesex, and the Towns of Tappahannock, Urbanna, and West Point. An RSP bank would treat runoff from roadside drainage ditches in order to provide off-site credits to RDG areas.

6. Budget Amendment Necessary: Yes. Item 368 of HB1500/SB900.

7. Fiscal Impact Estimates: Preliminary.

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2017	\$0	0	n/a
2018	\$490,000	5.0	GF
2019	\$490,000	5.0	GF
2020	\$490,000	5.0	GF
2021	\$490,000	5.0	GF
2022	\$490,000	5.0	GF
2023	\$490,000	5.0	GF

8. Fiscal Implications: This bill requires the State Water Control Board to adopt regulations establishing a rural development growth (RDG) area program, and regulations to allow for the operation of regional stormwater best management practices (RSP) banks. It is anticipated that this bill will have a general fund expenditure impact to the Department of Environmental Quality (DEQ) and an indeterminate revenue impact. It is anticipated that DEQ will require an additional \$490,000 from the general fund in each year, and five positions. Any revenue that may be generated from the provision that requires a privately

owned RSP bank annually to return eight percent of the credit revenue it generates to the locality in which it is located and two percent to DEQ is indeterminate.

When a locality establishes a rural development growth (RDG) area the bill requires DEQ to administer erosion and sediment control (ESC) and stormwater management for all portions of the locality except those within RDG areas. Currently, localities administer these erosion and sediment control requirements, and for Chesapeake Bay Act localities stormwater management for land disturbance between 2,500 square feet and less than an acre.

DEQ estimates that up to 55 erosion and sediment control locally administered programs may defer their ESC responsibilities to DEQ. In addition, for localities that are part of the Chesapeake Bay Act DEQ would now be responsible for stormwater management for land disturbance between 2,500 square feet and less than an acre. All of these responsibilities would become DEQ's responsibility if the localities opt to utilize the envisioned RDG program identified in this bill. This change would require additional oversight by DEQ to handle ESC and Chesapeake Bay Act stormwater management site specific applications, plans, inspection, compliance, and enforcement for all of these localities. DEQ estimates that it would need to hire four additional staff to cover this additional erosion and sediment control workload. Additionally, it is anticipated that the regional stormwater best management practices (RSP) bank component of this bill would require DEQ to hire one staff person to review applications, compliance, operations and maintenance inspections of the bank, financial assurance review, and design/concept review.

The five additional staff, at approximately \$95,000 each for salary, benefits, training and IT costs, equates to \$475,000 per year. It is anticipated that \$15,000, or \$3,000 per staff person, annually will be required for travel. The total annual expenditure impact is estimated to be \$490,000 per year.

9. Specific Agency or Political Subdivisions Affected: Department of Environmental Quality, Department of Transportation, localities

10. Technical Amendment Necessary: No.

11. Other Comments: None.