

Commission on Local Government

Estimate of Local Fiscal Impact

2021 General Assembly Session

Bill: HB2074

Special Session:

Patron: Simonds

Date: 1/22/2021

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:

Bill Summary:

Environmental justice; interagency working group. Establishes the Interagency Environmental Justice Working Group as an advisory council in the executive branch of state government to further environmental justice in the Commonwealth and directs each of the Governor's Secretaries to designate at least one environmental justice coordinator to represent the secretariat as a member of the Working Group. The bill directs the Working Group to focus its work during its first year on the environmental justice of current air quality monitoring practices in Virginia and provides that the Working Group shall expire on July 1, 2031.

The bill directs each state agency, no later than October 1, 2021, to adopt an agency-specific environmental justice policy that requires an evaluation of the environmental justice consequences of any covered agency action, requires a consideration of the environmental justice consequences or cumulative impacts of the administration of regulations, and contains other features, including robust public participation plans for residents of environmental justice communities and fenceline communities potentially affected by a covered agency action.

The bill prohibits the issuance of a permit for any covered activity, including construction of an electric generating facility or sanitary landfill, until the applicant has submitted and the permitting authority has approved a public involvement plan, a cumulative impact statement, and an environmental justice impact statement, if applicable. The bill requires the permitting authority to deny the application or approve it with or without conditions.

Finally, the bill requires each local government adopting or reviewing a comprehensive plan to also adopt an environmental justice strategy.

~~~~~

### Executive Summary:

Localities have evaluated a negative fiscal impact ranging from \$0.00 - \$250,000.00. A majority of localities noted that the impact of the bill is indeterminate or little to no fiscal impact, and the bill could require them to hire a consultant to comply. Of those localities that responded with a cost, it was noted that the cost would be related to staff-hours to draft and develop the environmental justice strategy to include with the comp plan. They also noted that the bill could incur additional cost and project delays due to additional required meetings and outreach.

\*\*\*\*\*

### Local Analysis:

**Locality:** City of Alexandria..

**Estimated Fiscal Impact:** \$1.00

This proposed bill aligns with the City of Alexandria's goals to consider equity in the planning and evaluation processes. The \$1 denoted above is intended as a placeholder and NOT indicative of the City's actual estimated fiscal impact- City staff would require more time for a complete analysis.

~~~~~

Locality: City of Danville

Estimated Fiscal Impact: \$15,000.00

Additional funds would be required for consulting services, as there is a cost for collecting and packaging existing data to complete the proposed environmental justice strategy requirements.

~~~~~  
**Locality:** City of Harrisonburg

**Estimated Fiscal Impact:** \$0.00

Unable to determine the financial impact this bill would have on the City at this time. The first item to determine is what exactly is an “environmental justice strategy?” At this time, it would seem the most obvious financial impact is the staff time it would take to draft the environmental justice strategy and/or the amount of money we might need to expend to hire a consultant to do the same.

~~~~~  
Locality: City of Manassas

Estimated Fiscal Impact: \$0.00

We do not anticipate a fiscal impact to the City of Manassas.

~~~~~  
**Locality:** City of Norfolk

**Estimated Fiscal Impact:** \$0.00

There is no perceived impact to the City of Norfolk from this bill.  
~~~~~

Locality: City of Virginia Beach

Estimated Fiscal Impact: \$0.00

The City of Virginia Beach is currently in the process of reviewing our City's Comprehensive Plan. The City's work on the Comprehensive Plan was delayed by the pandemic, as the restrictions on mass-gatherings caused the City to refrain from holding traditional public hearings. Currently, the general schedule for the City's Comprehensive Plan revision anticipates a draft plan to be completed in the spring or early summer, with adoption of the plan not concluding until the fall. It should be noted that the overall review process will take almost two years, and that even if the schedule had not been changed, would have taken at least a year. The following subject areas were the topics contained in our plan:

- Land Use
- Military
- Transportation
- Environmental
- Historic/Cultural Resources
- Housing
- Economic Vitality
- City Services (Learning, Leisure, Public Safety, Public Health, Public Infrastructure)

It is unlikely that the provisions of environmental justice, as contained in the bill, would have been reviewed in any of those sections. Thus, if the term "during each review of its comprehensive plan" merely refers to a plan that has yet to be approved and adopted by a City Council prior to July 1, 2021, it is likely that Virginia Beach would have to halt its planned timeline again and add additional research and text to encompass a section on environmental justice or to fold it into one of the sections listed above. If, on the other hand, the term review and the deadline of July 1, 2021 only means for plans that have not yet begun their process (ie, don't have a draft plan published or public input solicited, then the City would not be impacted by the bill's requirements at this time, and would account for these changes during our next Comprehensive Plan review process.

The costs of an additional section are not likely to be that significant. Nonetheless, given the last minute changes that may have to occur, and considering the lead time involved in most local government comprehensive plan processes, substituting the date January 1, 2022 for July 1, 2021 is requested.

~~~~~  
**Locality:** City of Winchester

**Estimated Fiscal Impact:** \$0.00

No real impact to the City.  
Mary

~~~~~  
Locality: Montgomery County

Estimated Fiscal Impact: \$0.00

If this bill passes, it would likely have a minor impact to us but it is too soon to tell the cost impact. Would likely use a model provided based on the state agency process that is mandated to be done by October 2021.

~~~~~  
**Locality:** Rappahannock County

**Estimated Fiscal Impact:** \$1.00

Implementation of additional layers of government oversight and required action will have a fiscal impact, but it is not possible to calculate the amount. The agencies may be able to prepare an estimate.

Regarding including information in a locality comprehensive plan, it would cause negligible local costs given the legal authority of comprehensive plans (it is not law).

~~~~~

Locality: Town of Blacksburg

Estimated Fiscal Impact: \$75,000.00

Cost of consultants to assist in the establishment of the environmental justice strategy for our comprehensive plan.

~~~~~  
**Locality:** Town of Christiansburg

**Estimated Fiscal Impact:** \$10,000.00

There would be some obvious staff time allocation - I would estimate approximately \$10,000 per year for salary and benefits based on a portion of the assigned staff time.

~~~~~  
Locality: Town of Herndon

Estimated Fiscal Impact: \$0.00

No comment.

~~~~~  
**Locality:** Town of Luray

**Estimated Fiscal Impact:** \$250,000.00

Additional costs and project delays due to increased required meetings and outreach

~~~~~  
Locality: Town of Marion.

Estimated Fiscal Impact: \$0.00

Not enough information to determine final impact on locality

~~~~~  
**Locality:** Town of Scottsville

**Estimated Fiscal Impact:** \$0.00

Zero direct impact to Town of Scottsville or similarly situated small towns.

The relevant part of the bill for Town operations in the environmental justice strategy as a new element of the comprehensive plan. The Town has nothing like this at present but is not due for a comp. plan update until 2023. The bill does not require immediate action, and the justice plan requirements appear modest compared to the overall workload of a comp. plan update. Adding the environmental justice strategy can be done with existing staff and planning commission resources, likely based on models from peers elsewhere in the state. Larger localities might face new consultant costs or even new FTE staff obligations.

~~~~~  
**Professional and Other Organization
Analysis:**

Organization: Northern Neck PDC

Revision of local comprehensive plans to include an environmental justice strategy will come at a cost, particularly to rural localities. The estimated cost for developing such a strategy per locality is estimated at \$1000 per locality for the staff-hours to draft and develop an environmental justice strategy to include with the comp plan.

