

Department of Planning and Budget 2022 Fiscal Impact Statement

1. Bill Number: SB489

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: McClellan

3. Committee: Agriculture, Conservation and Natural Resources

4. Title: Water quality funds; localities in fiscal stress.

5. Summary: Directs that, to the maximum extent practicable, at least 25 percent of the grant agreements entered into by the Department of Conservation and Recreation, at least 25 percent by the Department of Environmental Quality from the Water Quality Improvement Fund, and at least 25 percent of the grants from the Stormwater Local Assistance Fund be for projects in localities with high or above average fiscal stress.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Indeterminate.

8. Fiscal Implications: The fiscal impact of this bill is indeterminate. Currently, the Department of Conservation and Recreation (DCR) allocates funds from the Water Quality Improvement Fund (WQIF) at the Soil and Water Conservation District-level based on the most recent Nonpoint Source Assessment, which considers the most effective and efficient best management practices (BMPs) to implement in the location that receives the most credit towards achieving Virginia's water quality goals. Allocations are not tracked at the county-level. According to DCR, this change would require modifications in the Conservation Suite Application, which tracks all BMPs implemented and installed through the Virginia Agricultural Best Management Cost-Share (VACS) Program.

DCR anticipates that this bill may add to the current estimated costs to achieve the Chesapeake Bay Phase III Watershed Implementation Plan. Current cost estimates are based on implementation and installing the most cost-effective BMPs in the most effective locations; this bill would potentially require funds be allocated and utilized in areas that do not achieve the greatest nutrient reductions. Utilizing funds in locations that do not achieve the greatest reductions may require increase funding to offset the reduced nutrient reductions.

The Department of Environmental Quality does not anticipate an impact as a result of this bill related to the allocation of grants.

9. Specific Agency or Political Subdivisions Affected: Department of Conservation and Recreation; Department of Environmental Quality; Soil and Water Conservation Districts.

10. Technical Amendment Necessary: No.

11. Other Comments: None.