

Department of Planning and Budget

2023 Fiscal Impact Statement

1. **Bill Number:** HB2496

House of Origin ☐ Introduced ☒ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. **Patron:** Runion

3. **Committee:** Appropriations

4. **Title:** Virginia Recycling Development Center; established; report.

5. **Summary:** Establishes the Virginia Recycling Development Center (the Center) within the Department of Environmental quality (DEQ), as well as the Recycling Market Development Fund (the Fund), and the Virginia Recycling Development Center Advisory Committee (the Committee). The bill requires the Center and the Center's Director to enter into an agreement with the Virginia Economic Development Partnership (V EDP) for VEDP to perform or contract to perform targeted business assistance to recycling businesses, engage in outreach and support, promote manufacturing with recycled commodities, studies on unmet capital and other needs of centers and firms using recycled materials, and supply chain research. This bill has a sunset of July 1, 2038. The bill also requires that the Committee make recommendations on the sources of potential funding for and detailed qualifying uses of the Fund to the Secretary of Natural and Historic Resources no later than October 1, 2023

6. **Budget Amendment Necessary:** Yes, Item 377 HB1400/SB800, as introduced

7. **Fiscal Impact Estimates:** Preliminary. See item 8.

7a. **Expenditure Impact:** Department of Environmental Quality (440)

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2024	\$532,000	0.0	General fund
2025	\$532,000	0.0	General fund
2026	\$532,000	0.0	General fund
2027	\$532,000	0.0	General fund
2028	\$532,000	0.0	General fund
2029	\$532,000	0.0	General fund
2030	\$532,000	0.0	General fund

8. **Fiscal Implications:** DEQ anticipates that \$532,000 from the general fund will be needed annually beginning in FY 2024 in order to staff the Center. Funding is needed to support four positions: the Director; a policy and regulation analyst; a grant program manager and coordinator for the Committee; and a research planner with a focus on waste stream. DEQ

does not currently have the inhouse resources to support the creation of and staff a new program. The sources of potential funding for and detailed qualifying uses of the Fund established in this bill, including the department's ability to recover administrative expenses, is unknown.

VEDP anticipates an indeterminate expenditure impact as a result of this bill, as the requirements of the bill are outside of its expertise. Preliminary estimates by VEDP indicate that up to \$750,000 in additional general fund support annually may be needed to support three to four dedicated staff members as well as potential contract services.

The Secretaries of Commerce and Resources and Natural and Historic Resources can absorb any impact that may result from this bill within existing resources. The State Council of Higher Education for Virginia anticipates any fiscal impact that may result from this bill can be absorbed within existing resources.

- 9. Specific Agency or Political Subdivisions Affected:** Virginia Waste Management Board; Department of Environmental Quality; Secretaries of Commerce and Resources and of Natural and Historic Resources; Virginia Economic Development Partnership; State Council of Higher Education for Virginia; Virginia Recycling Development Center Advisory Committee

10. Technical Amendment Necessary: No.

11. Other Comments: None.