

Department of Planning and Budget 2008 Fiscal Impact Statement

1. Bill Number: HB727

House of Origin X Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. Patron: Scott, E.T.

3. Committee: Appropriations

4. Title: **Natural resources funding**

5. Summary: The bill allocates annually to natural resources funding a percentage of the revenue generated by a one percent sales and use tax. The allocations would be as follows: (i) 5 percent of the revenue generated by a one percent sales and use tax for the 2008-2009 fiscal year; (ii) 7.5 percent for the 2009-2010 fiscal year; (iii) 10 percent for the 2010-2011 fiscal year; and (iv) 12.5 percent for the month of July 2011 and for each month thereafter but ending for the month of June 2018. The allocation for any fiscal year would not exceed \$175 million.

6. Fiscal Impact Estimates:

6a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2009	\$52.4 million	nongeneral
2010	\$87.8 million	nongeneral
2011	\$123.4 million	nongeneral
2012	\$161.4 million	nongeneral
2013	\$170.7 million	nongeneral
2014	\$175.0 million	nongeneral

6b. Revenue Impact: The bill decreases the general fund revenue available for appropriation to other uses by directing the transfer to the Virginia Natural Resources Commitment Fund, as shown below:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>	<i>Dollars</i>	<i>Fund</i>
2009	(\$52.4 million)	general	\$52.4 million	nongeneral fund
2010	(\$87.8 million)	general	\$87.8 million	nongeneral fund
2011	(\$123.4 million)	general	\$123.4 million	nongeneral fund
2012	(\$161.4 million)	general	\$161.4 million	nongeneral fund
2013	(\$170.7 million)	general	\$170.7 million	nongeneral fund
2014	(\$175.0 million)	general	\$175.0 million	nongeneral fund

7. Budget Amendment Necessary: Yes, the general fund resources on the front page of the Budget Bill would need to be decreased and the nongeneral fund revenue would need to be increased. Also, Item 94 should be amended to include the one-third of the deposit to the

Virginia Natural Resources Commitment Fund allocated to Local Purchase of Development Rights Matching Grant fund. Item 361 should be amended to reflect the funding provided for the Agricultural Best Management Practices program.

- 8. Fiscal Implications:** The bill directs that the funding deposited to the Virginia Natural Resources Commitment Fund is divided between local purchase of development rights programs (33 percent) and agricultural best management practices cost share programs (67 percent). The funding for agricultural best management cost share programs is further allocated between local soil and water conservation districts (five percent), lands within the Chesapeake Bay watershed (57 percent) and lands outside of the Chesapeake Bay watershed (38 percent).

The breakdown between the program areas is listed below.

<i>Fiscal Year</i>	<i>Deposit</i>	<i>Purchase of development rights</i>	<i>Agricultural best management</i>
2009	\$52.4 million	\$17.2 million	\$35.2 million
2010	\$87.8 million	\$28.9 million	\$58.9 million
2011	\$123.4 million	\$40.7 million	\$82.7 million
2012	\$161.4 million	\$53.2 million	\$108.2 million
2013	\$170.7 million	\$56.3 million	\$114.4 million
2014	\$175.0 million	\$57.7 million	\$117.3 million

The bill does not provide positions or funding for administration of the programs by the Department of Agriculture and Consumer Services Office of Farmland Preservation or the Department of Conservation and Recreation.

- 9. Specific Agency or Political Subdivisions Affected:** Department of Agriculture and Consumer Services, Department of Conservation and Recreation, soil and water conservation districts, localities.

10. Technical Amendment Necessary: No.

11. Other Comments: None.

Date: 1/22/2008 dpbkbs

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cc: Secretary of Natural Resources
Secretary of Agriculture and Forestry