

Department of Planning and Budget 2009 Fiscal Impact Statement

1. Bill Number: HB2351

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

2. Patron: Landes

3. Committee: Agriculture, Chesapeake, and Natural Resources

4. Title: Virginia Natural Resources Commitment Fund; funding

5. Summary: The bill provides that beginning with FY 2011 and for each fiscal year thereafter, the Governor, through the budget process, shall propose appropriations for funding of the Virginia Natural Resources Commitment Fund (the subfund). For each fiscal year, the Governor shall propose appropriations for funding of the subfund in an aggregate amount that would not be less than (i) 150 percent of the greatest, aggregate appropriation to the subfund included in any prior act of the General Assembly or (ii) \$30 million, whichever is greater. The bill would also change the formula for distributions from the Virginia Natural Resources Commitment Fund.

6. Fiscal Impact Estimates: Preliminary

6a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2009	\$0	
2010	\$0	
2011	\$30 million	nongeneral fund
2012	\$45 million	nongeneral fund
2013	\$67.5 million	nongeneral fund
2014	\$101 million	nongeneral fund
2015	\$152 million	nongeneral fund

6b. Revenue Impact: The bill requires appropriation to the Virginia Natural Resources Commitment Fund of the greater of 150 percent of the greatest appropriation in prior years or \$30 million. The bill will reduce the general fund 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>
2011	(\$30 million)	general	\$30 million	nongeneral
2012	(\$45 million)	general	\$45 million	nongeneral
2013	(\$67.5 million)	general	\$67.5 million	nongeneral
2014	(\$101 million)	general	\$101 million	nongeneral
2015	(\$152 million)	general	\$152 million	nongeneral

- 7. Budget Amendment Necessary:** No, the bill does not require appropriations to the Virginia Natural Resources Commitment Fund until the next biennium. House Bill 1600, the introduced budget bill, includes \$10 million in general fund support to be transferred to the fund.
- 8. Fiscal Implications:** The bill requires the Governor to include, in the introduced budget bill, appropriation each fiscal year of not less than 1.5 times the largest previous appropriation to the Virginia Natural Resources Commitment Fund, a subfund of the Water Quality Improvement Fund, or \$30 million, whichever is greater.

The bill does not address the General Assembly's ability to make amendments to the introduced budget, so the amount that ultimately will be included in the Appropriation Act for each fiscal year cannot be determined.

The bill directs that the annual deposit be used for the Agricultural Best Management Practices Cost Share program and divided between matching grants for lands within the Chesapeake Bay watershed (55 percent), matching grants for lands outside of the Chesapeake Bay watershed (37 percent), and local soil and water conservation districts (eight percent). At the \$30 million funding level, projects within the Chesapeake Bay watershed will receive \$16.5 million annually, projects in the rest of the state \$11.1 million annually, and soil and water conservation districts \$2.4 million.

The Department of Conservation and Recreation administers the funding and the soil and water conservation districts provide technical assistance for the Agricultural Best Management Practices Cost-share program.

- 9. Specific Agency or Political Subdivisions Affected:** Department of Conservation and Recreation, soil and water conservation districts.
- 10. Technical Amendment Necessary:** No.
- 11. Other Comments:** The bill does not include a maximum amount for the annual appropriation. It appears that after the initial appropriation of \$30 million, the appropriation will continue to grow 150 percent annually. The bill is identical to Senate Bill 1050.

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cc: Secretary of Natural Resources