

Department of Planning and Budget

2012 Fiscal Impact Statement

1. Bill Number: SB407

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

2. Patron: Hanger

3. Committee: Pending

4. Title: Integration of agencies' programs.

5. Summary: This bill integrates and consolidates components of the Erosion and Sediment Control Act, the Stormwater Management Act, and the Chesapeake Bay Preservation Act so that these regulatory programs can be implemented in a consolidated and consistent manner, resulting in greater efficiencies (one-stop shopping) for those being regulated. The bill also eliminates the Chesapeake Bay Local Assistance Board and places its responsibilities with the Virginia Soil and Water Conservation Board. The bill does not expand the provisions of the Chesapeake Bay Preservation Act.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Preliminary.

8. Fiscal Implications: This bill works to better integrate parts of three current acts: the Erosion and Sediment Control Act, the Stormwater Management Act, and the Chesapeake Bay Preservation Act, essentially creating "one-stop shopping" at the local level for those regulated by these acts.

As part of the consolidation of regulations, the bill establishes or refines responsibilities of the Department of Conservation and Recreation (DCR), both as an independent agency and as the state agency with oversight of the Virginia Soil and Water Conservation Board (the Board). According to DCR, the provisions of the bill should not result in any additional costs to the state that cannot be covered by new or amended fees also established by the bill.

The bill clarifies provisions associated with civil and criminal penalties. Depending on how many penalties are assessed, the bill could result in additional revenues, either to the state treasury or to the treasuries of localities authorized as Virginia Erosion and Sediment Control Program authorities or as Virginia Stormwater management Program authorities. However, as it is not possible to determine how many additional penalties will be assessed, or to which treasury any penalties would be directed, any fiscal impact to the state or to certain localities as a result of increased or additional penalties is indeterminate at this time.

Other state agencies directly or indirectly impacted by the provisions of the bill are anticipated to be able to absorb any additional costs that may result from the bill.

The bill will result in additional costs to counties or to towns who will now be required to adopt a stormwater management program. However, the bill authorizes localities to collect fees, and to adjust the fee as needed, to cover the cost of the program.

Additionally, according to DCR, the agency plans to provide program startup grants to localities to assist with establishing contractual relationships with neighboring localities in an organized effort to further reduce costs. Funding for these grants is intended to come from Water Quality Improvement Fund reserve balances, if approved by the Secretary of Natural Resources as authorized by Item 358 of HB/SB30, the Introduced Budget Bill.

9. Specific Agency or Political Subdivisions Affected: Department of Conservation and Recreation.

10. Technical Amendment Necessary: No.

11. Other Comments: This bill is identical to the House substitute version of HB1065. A fiscal impact statement by the Commission on Local Government states that, “[w]hile the aspects of the bill consolidating the three programs will generally not have a fiscal impact on local governments, it is notable that state oversight should be more coordinated, as opposed to the current situation where separate state evaluations occur for each program, which could potentially reduce the burden upon local governments with existing stormwater programs.”

Date: 2/1/2012