

Department of Planning and Budget

2015 Fiscal Impact Statement

1. Bill Number: HB1364-H1

House of Origin ☐ Introduced ☒ Substitute ☐ Engrossed

Second House ☒ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Peace

3. Committee: Agriculture, Conservation and Natural Resources

4. Title: Industrial wastes; fees for testing and monitoring of land application.

5. Summary: Allows localities to adopt ordinances that provide for the testing and monitoring of the land application of industrial wastes. The bill requires the State Water Control Board (the Board) to adopt emergency regulations, requiring persons that land apply industrial wastes to collect a fee from the generator of the industrial wastes and remit the fee to the Department of Environmental Quality (DEQ). The fee cannot exceed the direct costs to localities of testing and monitoring the land application of industrial wastes. The bill requires the Board's regulations to include procedures for (i) collection of the fees by DEQ, (ii) deposit of the collected fees into the Sludge Management Fund (the Fund), and (iii) disbursements from the Fund to localities for the testing and monitoring of the industrial wastes. DEQ shall also train persons employed by local governments that have adopted ordinances. This bill allows the Department to charge attendees a reasonable fee to recover the actual cost associated with the training.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Preliminary.

8. Fiscal Implications: This bill would require persons that land apply industrial wastes to collect a fee from the generator of the industrial waste and remit the fee to the Department of Environmental Quality (DEQ) for deposit to the Sludge Management Fund. DEQ would then disburse the proceeds to reimburse localities for testing and monitoring of the land application of the industrial wastes. According to DEQ, this bill is revenue neutral, and the exact fee amounts cannot be determined. However, any increase in revenue received by DEQ would be offset in additional payments to localities.

There could be an increase in workload at DEQ for the payments to localities, but any additional cost could be absorbed with existing resources. The bill also amends the uses of the Sludge Management Fund to include the administration and management of the industrial waste land application program.

Additionally, the bill also provides that DEQ train persons employed by local governments that have adopted ordinances. To offset the costs, DEQ may charge a reasonable fee to recover the actual costs of preparing course materials and providing facilities and instructors for the program. The fee is then reimbursable from the Sludge Management Fund.

- 9. Specific Agency or Political Subdivisions Affected:** The Department of Environmental Quality, Department of Health, Department of Conservation and Recreation, Department of Agriculture and Consumer Services, the Virginia Cooperative Extension Services, and any locality testing and monitoring of the land application of the industrial wastes

- 10. Technical Amendment Necessary:** No.

- 11. Other Comments:** There is an enactment clause that notes that the State Water Control Board shall promulgate regulations to implement the provisions of this act to be effective no later than January 1, 2016. Additionally, upon the effective date, the per-ton fee of \$5 is provided. HB 1381 also has provisions impacting industrial waste.

Date: 02/02/2015 /jlm
cc: Secretary of Natural Resources