

**Commission on Local Government**

**Estimate of Local Fiscal Impact**

2015 General Assembly Session

**Bill:** SB1047

**Patron:** Hanger

**Date:** 1/26/2015

In accordance with the provisions of §30-19.03 of the Code of Virginia, the staff of the Commission on Local Government offers the following analysis of the above-referenced legislation:

**Bill Summary:**

Clarifies the requirement that a local stormwater utility waive charges to property that is covered by a permit to discharge stormwater from a municipal separate storm sewer system (MS4) and owned by a government or public entity, regardless of whether the property is titled in the name of the permit holder.

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**Executive Summary:**

SB 1047 provides clarifying language that states that a local stormwater utility waive charges to property that is covered by a permit to discharge stormwater from an MS4 and owned by a government or public entity, regardless of whether the property is titled in the name of the permit holder.

The Commission on Local Government does not believe that SB 1047 has a fiscal impact to local governments.

The City of Chesapeake has indicated that the provisions of the bill could cost them nearly \$1.1m if enacted. The City believes that SB 1047 would exempt properties on which they are already collecting fees.

The City of Lynchburg has also noted an impact of approximately \$200,000 per year. They also stated that they bill federal, state, regional, and local properties for stormwater fees.

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**Local Analysis:**

**Locality:** City of Chesapeake

**Estimated Fiscal Impact:**  
\$1,088,176.00

SB 1047 requires waivers to all governmental agencies. Based on current SW rates, this bill would reduce fee revenue of the Chesapeake Stormwater Fund is as follows:

- Local Government - \$329,476
- School Board - \$503,538
- Federal Government - Fentress Air Field - \$182,909
- Federal Government - Northwest Annex - \$54,878
- State Government - \$17,375

Total losses to the Stormwater Fund - \$1,088,176 (7.2% of annual SW revenue)

Should the bill pass, Chesapeake would need to either (1) significantly reduce investments in flood control/prevention and efforts to reduce pollutants entering the Chesapeake Bay or (2) increase stormwater rates on the rest of its customers by 7.75%. In effect, this bill requires the City to either reduce SW efforts or SHIFT costs to other rate payers.

On the positive side, the bill will reduce stress on local general fund and school board budgets.

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**Locality:** City of Danville

This bill would currently have no effect on Danville because Danville does not currently have a stormwater utility fee, and implementation of one is not on our radar.

If Danville does ever adopt a stormwater utility fee, passage of this bill in its current form would exempt state owned, federal owned and Danville owned facilities from being charged the utility fee. Overall this impact would be minimal.

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**Locality:** City of Lexington (2)

no expected fiscal impact

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**Locality:** City of Lynchburg

**Estimated Fiscal Impact:** \$200,497.00

The City's Stormwater Fund receives \$200,497 annually from Federal, State, Regional and Local Governments. Maybe other localities opted not to bill government entities, but the City does bill them.

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**Locality:** City of Portsmouth

As long as a property is covered by its own VPDES permit, we do not charge a stormwater utility fee (regardless of ownership).

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**Locality:** City of Winchester

No Impact to the City of Winchester.

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**Locality:** Henrico County

The County does not currently impose a charge for a stormwater utility.

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**Locality:** Henry County

No impact. Henry County is not considered a MS4 locality.

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**Locality:** Prince George County

SB 1047 appears to be related only to MS4 properties.

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**Locality:** Richmond County

n/a to Richmond county.

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**Locality:** Rockingham County

No fiscal impact for Rockingham County.

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**Locality:** Town of Buchanan

Fees for permits are handled by Botetourt County for the Town.

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**Locality:** Town of Front Royal

Discharge from a site in a separate system should be addressed by the system in which it is permitted.

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