

## **Department of Planning and Budget**

### **2017 Fiscal Impact Statement**

**1. Bill Number:** HB2311

<b>House of Origin</b>	<input type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input checked="" type="checkbox"/> Engrossed
<b>Second House</b>	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

**2. Patron:** Cox

**3. Committee:** Agriculture, Chesapeake and Natural Resources

**4. Title:** Nutrient Offset Fund; sale of credits.

**5. Summary:** Requires the Director of the Department of Environmental Quality (DEQ) to use certain funds to acquire nutrient credits from point or nonpoint sources that achieve reductions beyond the requirements of state or federal law or the Chesapeake Bay Watershed Implementation Plan. The bill directs DEQ to establish procedures for distributing moneys from the Nutrient Offset Fund with certain requirements. The bill requires the Director of DEQ to consider the recommendations of the Virginia Economic Development Partnership and the requirements of the State Water Control Law (§ 62.1-44.2 et seq.) in the sale of nutrient credits to new or expanding private facilities. The bill also removes the priority given to nutrient offsets produced from facilities that generate electricity from animal waste. The bill renames nutrient offsets as nutrient credits.

**6. Budget Amendment Necessary:** No.

**7. Fiscal Impact Estimates:** Preliminary.

**8. Fiscal Implications:** It is anticipated that any fiscal impact to DEQ can be absorbed within existing resources.

Chapter 780, 2016 Acts of Assembly (the 2016 Appropriation Act), contains budget language authorizing DEQ to capitalize the Nutrient Offset Fund to the extent necessary to facilitate the development of grants or contracts to support animal waste to energy projects. HB1900/SB500, as introduced, strikes this budget language.

**9. Specific Agency or Political Subdivisions Affected:** Department of Environmental Quality and the Secretary of Commerce and Trade.

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** None.