

Department of Planning and Budget

2020 Fiscal Impact Statement

1. Bill Number: HB1609

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

2. Patron: Mugler

3. Committee: Agriculture, Chesapeake and Natural Resources

4. Title: Nutrient credit use; land-disturbing activity by wastewater utility.

5. Summary: Provides that when a publicly owned wastewater treatment works conducts land-disturbing activities in order to construct or expand a facility, it may comply with the water quality requirements associated with such land-disturbing activities by generating and using point source nutrient credits through the operation of its existing treatment facilities. The bill requires the treatment works to notify the Department of Environmental Quality of its plan and to adopt a ratio of 10 point source nitrogen credits for each point source phosphorus credit used. The bill contains technical amendments.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Indeterminate. See item 8.

8. Fiscal Implications: The potential expenditure impact on the Department of Environmental Quality (DEQ) as a result of this bill is indeterminate. DEQ has approximately 100 publicly-owned treatment works registered under its watershed general permit, and expects more as additional smaller facilities expand. It is not possible to predict how many will acquire construction general permits for future expansions and use the trading alternative proposed in this bill. Each facility that does make use of the alternative and is located in a jurisdiction where DEQ serves as the Virginia Stormwater Management Program (VSMP) authority will require yearly DEQ follow up on reporting and tracking of a relatively small nutrient credit trade. VSMP has historically only allowed the use of perpetual credits to meet post construction water quality requirements, as opposed to tracking term-credits, which are valid for one calendar year. According to DEQ the potential impact of this bill is likely absorbable by the agency within existing resources.

9. Specific Agency or Political Subdivisions Affected: Department of Environmental Quality; localities

10. Technical Amendment Necessary: No.

11. Other Comments: None.