

Department of Planning and Budget 2020 Fiscal Impact Statement

1. Bill Number: SB704

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

2. Patron: Mason

3. Committee: Agriculture, Conservation and Natural Resources

4. Title: Chesapeake Bay Watershed Implementation Plan initiatives; nutrient management plans.

5. Summary: Requires any operator of at least 50 acres of cropland in the Chesapeake Bay watershed to submit a nutrient management plan for such cropland by July 1, 2026, to the Department of Conservation and Recreation (DCR). DCR shall review such plans and provide technical assistance, and the operator shall have an affirmative defense if he has applied for cost-share funding and is waiting to receive such funds.

The bill requires any person who owns 20 or more bovines in the watershed, beginning July 1, 2026, to install stream exclusion practices that satisfy regulations adopted by the Department of Environmental Quality (DEQ). The person shall have an affirmative defense if he has applied for cost-share funding and is waiting to receive such funds, or if his installed stream exclusion practices were damaged or destroyed.

The bill authorizes DEQ to adopt regulations to carry out its provisions. The bill provides that if the Secretary of Natural Resources determines that sufficient numbers of stream exclusion practices or nutrient management plans have been put in place to satisfy the Commonwealth's commitments in the Chesapeake Bay Total Maximum Daily Load Phase III Watershed Implementation Plan, he shall, on or before December 31, 2025, recommend that all or part of the bill be repealed.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Preliminary.

8. Fiscal Implications: This bill requires DCR to establish a portable stream fencing practice for inclusion in the Virginia Agricultural Best Management Practice Cost-Share Program no later than July 1, 2021. It is anticipated that any costs associated with this effort can be absorbed within current resources.

The bill requires any operator of at least 50 acres of cropland in the Chesapeake Bay watershed to submit a nutrient management plan for such cropland by July 1, 2026, to DCR. Additionally, the bill requires any person who owns 20 or more bovines in the Chesapeake Bay watershed to install stream exclusion practices that satisfy regulations adopted by the

DEQ beginning July 1, 2026. The bill also provides that the Secretary of Natural Resources may recommend that all or part of the provisions be repealed on or before December 31, 2025, if he determines that sufficient numbers of stream exclusion practices or nutrient management plans have been put in place to satisfy the Commonwealth's commitments in the Chesapeake Bay Total Maximum Daily Load Phase III Watershed Implementation Plan.

If the provisions are not repealed as provided for in the bill, it is anticipated that there will be costs to both DCR and DEQ beginning in FY 2027. These costs are indeterminate at this time. The bill authorizes DCR to assess an administrative charge to cover expenses related to the review of nutrient plans and technical assistance provided to operators. DEQ is authorized to issue a civil penalty not to exceed \$2,500 for violations of the provisions to be deposited to the Virginia Natural Resources Commitment Fund. Again, any revenue from these charges cannot be determined.

9. Specific Agency or Political Subdivisions Affected: Department of Conservation and Recreation; Department of Environmental Quality; Secretary of Natural Resources.

10. Technical Amendment Necessary: No.

11. Other Comments: HB1422 is the companion to this bill.