

Department of Planning and Budget

2021 Fiscal Impact Statement

1. Bill Number: HB1983

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: Bulova

3. Committee: Agriculture, Chesapeake and Natural Resources

4. Title: Wetland and stream mitigation banks; proximity of impacted site.

5. Summary: Provides that when a water protection permit applicant is required to purchase wetland or stream mitigation bank credits but no credits are available (i) in any mitigation provider's primary service area or (ii) at a cost of less than 200 percent of the price of credits available from a fund dedicated to achieving no net loss of wetland acreage and functions, the applicant may purchase or use credits from a mitigation provider's secondary service area. The bill provides certain requirements that the permit applicant must comply with in order to purchase or use such credits from a secondary service area, including minimum tree canopy requirements.

6. Budget Amendment Necessary: No.

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

8. Fiscal Implications: The Department of Environmental Quality (DEQ) anticipates an indeterminate expenditure impact as a result of this bill. According to DEQ, potential costs include processing Mitigation Banking Instrument Modifications; evaluation of compensatory mitigation; Water Protection permit reissuance to keep projects permitted for 20 years to evaluate compliance with the bill's tree canopy requirements; and evaluation of satisfaction of the bill's tree canopy requirements 20 years thereafter. If the U.S. Army Corps of Engineers does not accept the secondary service area and/or credit multipliers as proposed in the bill, there could be fiscal impacts associated with working out an agreement with the Corps that is satisfactory to all parties, or to implement the bill on the state level, separate from any federal decisions on mitigation.

9. Specific Agency or Political Subdivisions Affected: Department of Environmental Quality; State Water Control Board; State agencies that apply for a Virginia Water Permit; localities

10. Technical Amendment Necessary: No.

11. Other Comments: None.

