

## Department of Planning and Budget

### 2022 Fiscal Impact Statement

**1. Bill Number:** SB354

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

**2. Patron:** Stuart

**3. Committee:** Finance and Appropriations

**4. Title:** James River watershed; timeline for compliance with regulations.

**5. Summary:** Advances the timeline from 2035 to 2030 for work on construction related to any consent special order issued by the State Water Control Board for certain combined sewer overflow systems east of Charlottesville that discharge into the James River. The dates of interim steps to completion are also advanced. The bill requires that mandated reports from owner or operators of a CSO system include current and anticipated impact on ratepayers, as well as a request for appropriation for non-matching grant amounts in the budget bill. The bill further amends the due date for the Department of Environmental Quality (DEQ)'s CSO progress report to September 1, and includes the chief administrative officer of the owner or operator to the list of parties that are to receive such report. The bill allows DEQ to extend construction deadlines because of an adverse impact on ratepayers, and advances the timeline at which an owner or operator may petition an extension if state or federal grant funding is not sufficient to meet such deadlines without an adverse impact on ratepayers.

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

**7. Fiscal Impact Estimates:** Preliminary. See item 8.

**8. Fiscal Implications:** It is anticipated that any fiscal impact on the Department of Environmental Quality (DEQ) as a result of this bill can be absorbed within existing resources.

According to DEQ, the total cost of the City of Richmond's CSO project is estimated at \$1.3 billion. Approximately \$312 million has been spent. To date, the Commonwealth has authorized \$95 million for this project, including \$45.0 million in VPBA bonds in Item C-39.40, Chapter 1, 2014 Acts of Assembly; and \$50.0 million in Item 479.20, Chapter 552, 2021 Acts of Assembly, Special Session I as amended by Chapter 1, 2021 Acts of Assembly, Special Session II, which allocates distributions of the federal State and Local Recovery Fund (SLRF) pursuant to the American Rescue Plan Act of 2021 (ARPA). HB30/SB30, as introduced, includes an additional authorization of \$100 million from the SLRF.

**9. Specific Agency or Political Subdivisions Affected:** Department of Environmental Quality; City of Richmond.

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

**11. Other Comments:** According to DEQ, this bill is anticipated to apply to the City of Richmond, which has 26 separate overflow points.