

## Department of Planning and Budget 2023 Fiscal Impact Statement

**1. Bill Number:** HB1466

**House of Origin**    ☒ Introduced    ☐ Substitute    ☐ Engrossed

**Second House**    ☐ In Committee    ☐ Substitute    ☐ Enrolled

**2. Patron:** Anderson

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

**4. Title:** Special provisions involving voluntary anti-forced labor and child slavery certifications for sale.

**5. Summary:** Provides that any Virginia citizen or the Attorney General can request the Supreme Court to suspend certain air pollution control regulatory programs if business entities providing low/no emission vehicles cannot meet demand. Establishes a voluntary certification program for these same business entities under the Secretary of Labor to demonstrate compliance with using materials not generated by forced labor and child slavery. Penalties for any false information provided by these business entities for certification is subject to a \$10,000 fine, up to 6 months in jail, or both.

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

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

**8. Fiscal Implications:** According to the Department of Environmental Quality (DEQ), this bill may have an indeterminate but significant revenue impact on the agency. The bill provides that the Attorney General or any citizen of the Commonwealth may file a Writ of Mandamus against the Air Pollution Control Board in the Virginia Supreme Court to suspend the implementation of § 10.1-1307 and § 10.1-1307.04, Code of Virginia, if there is sufficient evidence that covered business entities cannot produce a sufficient supply of Electric or Low Emission Vehicles in the Commonwealth to meet consumer demand.

Section 10.1-1307, Code of Virginia, establishes the powers of DEQ and the State Air Pollution Control Board, including, among other things, the power to: control and regulate internal affairs, adopt emissions standards controlling the release of air pollutants from motor vehicles, and to grant permits. This section also authorizes the State Air Pollution Control Board and DEQ to "cooperate with and receive money from the federal government or any county or municipal government, and receive money from any other source, whether public or private."

HB1400/SB800, as introduced (the budget bill), provides nongeneral fund and federal appropriation to DEQ's Air Protection program, including a grant from the U.S.

Environmental Protection Agency to support the Section 105 air and other sources such as the Title V fee program. According to DEQ, a Writ of Mandamus suspending implementation of § 10.1-1307, Code of Virginia, could potentially raise issues as to whether or not the agency could accept the funding necessary to operate its air programs. The agency further indicates that if a Writ of Mandamus suspending implementation of this section of the Code of Virginia effectively became a prohibition from accepting federal funds and fee revenues, the revenue impact would be significant to DEQ. The affected nongeneral funds in the air program total \$21.5 million annually.

The Office of the Attorney General and the Secretary of Labor anticipate they can accommodate any costs associated with implementing the provisions of this legislation within resources contained in HB1400/SB800, as Introduced.

It is indeterminate what revenues might be generated due to the \$10,000 penalty for business entities providing false certification information, as well as the number of individuals who might be sentenced to up to 6 months in jail. Any revenue from fines is deposited to the Literary Fund. Any increase in jail population will increase costs to the state. The Commonwealth currently pays the localities \$4.00 a day for each misdemeanor or otherwise local-responsible prisoner held in a jail. It also funds a large portion of the jails' operating costs, e.g., correctional officers. The state's share of these costs varies from locality to locality. However, according to the Compensation Board's most recent Jail Cost Report (November 2022), the estimated total state support for local jails averaged \$40.39 per inmate, per day in FY 2021.

**9. Specific Agency or Political Subdivisions Affected:** Department of Environmental Quality; Air Pollution Control Board; Office of the Attorney General; Secretary of Labor; Supreme Court.

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

**11. Other Comments:** Section 10.1-1307.05, Code of Virginia, requires the State Air Pollution Control Board to implement an "Advanced Clean Cars Program" that includes a low-emissions and zero-emissions vehicle program for motor vehicles with a model year of 2025 and later. That section also authorizes the State Air Pollution Control Board to adopt by regulation and enforce California's vehicle emission standards pursuant to § 177 of the federal Clean Air Act.