

Department of Planning and Budget

2023 Fiscal Impact Statement

1. Bill Number: SB1074

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

2. Patron: Stuart

3. Committee: Passed the Senate

4. Title: Use of subaqueous beds; nontidal waters; permit requirements; penalty.

5. Summary: Authorizes any person to build, dump, trespass, encroach upon or over, or take or use any materials from subaqueous beds that are the property of the Commonwealth, provided that such activity is conducted in nontidal waters and such person obtains a Virginia Water Protection Permit and complies with all requirements of the Virginia Water Resources and Wetlands Protection Program. Requires that the Department of Environmental Quality be guided by relevant habitat permitting guidelines when determining whether to issue a Virginia Water Protection Permit. A violation of the provisions of the bill is a Class 1 misdemeanor.

6. Budget Amendment Necessary: No.

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

8. Fiscal Implications: This exempts certain holders of a Water Protection Permit as authorized by the Department of Environmental quality (DEQ) from the requirement to further apply and obtain a subaqueous habitat permit from the Marine Resources Commission (MRC). It is anticipated that any fiscal impact on DEQ as a result of this bill can be absorbed within existing resources.

MRC anticipates a loss or revenue associated with the collection of permit application fees, permit fees, and encroachment royalties. These revenues are deposited into the Waterways Improvement Fund. MRC states that 23 percent of its total revenue in habitat permitting is generated from activities in nontidal waters. Based on the average revenue in the last three fiscal years, the agency estimates an approximate nongeneral fund revenue loss of \$119,589.12 annually.

Additionally, MRC anticipates indeterminate cost savings from resources currently dedicated to processing the impacted fees.

A violation of the provisions of the bill is a Class 1 misdemeanor. This bill is anticipated to result in an indeterminate reduction of violations. Anyone convicted of a Class 1 misdemeanor is subject to a sentence of up to 12 months in jail and a fine of not more than \$2,500, either or both.

There is not enough information available to reliably estimate the impact to jail population as a result of this proposal. The Commonwealth currently pays the localities \$4.00 a day for each misdemeanant 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:** Marine Resources Commission, Department of Environmental Quality; state agencies that hold a Water Protection permit for projects that cross through nontidal waters; local and regional jails; courts; localities.

10. Technical Amendment Necessary: No.

11. Other Comments: None.