

Department of Planning and Budget 2024 Session Fiscal Impact Statement

1. Bill Number: HB949

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: Lopez

3. Committee: Agriculture, Chesapeake and Natural Resources

4. Title: Aboveground storage tanks; Hazardous Substance Aboveground Storage Tank Fund; civil penalties.

5. Summary: Directs the State Water Control Board to regulate aboveground storage tanks with a capacity of more than 1,320 gallons that contain hazardous substances other than oil. The bill directs the Board to adopt regulations that establish requirements for registration and other requirements of tank owners and that establish a schedule of registration and renewal fees. The bill authorizes the Board to take corrective action in the event of a discharge of a hazardous substance. The bill requires tank owners to notify certain parties in the event of a release of a regulated substance. The bill also creates the Hazardous Substance Aboveground Storage Tank Fund, with moneys from the Fund to be used solely for the administration of the bill and provides for civil penalties for violations of requirements of the bill, with such moneys received to be deposited into the existing Virginia Environmental Emergency Response Fund.

6. Budget Amendment Necessary: No. See item 8 below.

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

8. Fiscal Implications: It is anticipated that this bill will result in an indeterminate revenue and expenditure impact to the Department of Environmental Quality (DEQ). It is not possible to estimate the number of violations that will occur. Violations may result in civil penalty revenues to the Virginia Environmental Emergency Response Fund.

The bill creates the Hazardous Substance Aboveground Storage Tank Fund. Moneys in the Fund are to be used solely for administering the programs in the bill and may not be used for corrective action or containment and cleanup. The bill allows for tank registration and renewal fees to be charged and deposited into the new Fund.

The bill also authorizes the State Water Control Board to proceed by civil action to recover all costs, damages, and civil penalties resulting from violations. Civil penalties are to be deposited into the Virginia Environmental Emergency Response Fund. The bill further requires that DEQ compile an inventory of aboveground storage tanks in the Commonwealth.

DEQ anticipates that four positions will be needed for the agency to establish and maintain the program in the bill, including two positions to process registration forms, and two positions for enforcement. Each position is anticipated to cost \$126,720, for a total \$506,880 tied to positions. DEQ also anticipates the cost to create an online aboveground storage tank registration form and integrate it into the agency's portal and database. DEQ estimates initial IT costs at \$100,000 with ongoing maintenance at \$50,000 a year. These costs are to be supported through fee revenues in the Hazardous Substance Aboveground Storage Tank Fund.

The Appropriation Act allows for an adjustment to an agency's position level administratively as well as the appropriation of nongeneral fund revenue. In the event positions are necessary, such an increase can be built into the agency's budget in subsequent years. Similarly, spending authority can be built into the agency's budget in subsequent years.

9. Specific Agency or Political Subdivisions Affected: Department of Environmental Quality; State Water Control Board; State Treasury; Courts.

10. Technical Amendment Necessary: No.

11. Other Comments: None.