

Department of Planning and Budget 2022 Fiscal Impact Statement

1. Bill Number: HB1067

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

2. Patron: Scott, P.A.

3. Committee: Passed both houses

4. Title: Enhanced Nutrient Removal Certainty Program; Fredericksburg wastewater treatment facility.

5. Summary: Adds the Fredericksburg wastewater treatment facility to the list of priority projects for the Enhanced Nutrient Removal Certainty (ENRC) Program. Provides that the nutrient technology requirements of 3.0 mg/L total nitrogen and 0.22 mg/L total phosphorus for the Fredericksburg Waste Water Treatment Facility established in the first enactment clause of this act shall take effect and apply on an annual basis when the expanded Fredericksburg Waste Water Treatment Facility receives its certificate to operate.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Final. 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 estimated total cost of Fredericksburg's wastewater project is \$77.0 million, out of which \$17.0 million is estimated to be eligible to be funded through the Water Quality Improvement Fund. At this time, DEQ cannot determine the portion of the project that is eligible for funding through the ENRC program as a Preliminary Engineering Report, which will be included in Fredericksburg's application submission, is necessary for such assessment.

SB30/HB30, as introduced, includes \$27.0 million for wastewater projects in the City of Fredericksburg. At this time, DEQ does not have information regarding the potential overlap between the project described in this bill and the wastewater project included in the introduced budget bill. Additionally, Item C-70.50, Chapter 552, Special Session I (2021 Acts of Assembly), includes \$50.0 million from the general fund and \$50.0 million in Virginia Public Building Authority bond proceeds to reimburse authorized entities for ENRC project costs. Item 479.20, Chapter 552, 2021 Acts of Assembly, Special Session I, as amended by Chapter 1, 2021 Acts of Assembly, Special Session II, includes \$100.0 million

from distributions of the federal State and Local Recovery Fund pursuant to the American Rescue Plan Act of 2021 for ENRC projects.

9. Specific Agency or Political Subdivisions Affected: Department of Environmental Quality

10. Technical Amendment Necessary: No.

11. Other Comments: This bill is the companion to SB355.