

Department of Planning and Budget 2022 Fiscal Impact Statement

1. Bill Number: HB1309

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: Bulova

3. Committee: Agriculture, Chesapeake and Natural Resources

4. Title: Resilient Virginia Revolving Loan Fund.

5. Summary: Creates the Resilient Virginia Revolving Loan Fund. The bill provides guidelines for deposits, expenditures, and investments and requires an annual audit of the Virginia Resources Authority. The bill provides that the Fund be used for loans or to refinance projects for local governments or to give grants to them, provides that the Fund may be used for loans or grants for individuals, and establishes guidelines for the priority of such loans and grants.

6. Budget Amendment Necessary: Yes, to Item to capitalize the fund and to include language specifying the distribution of funds to the Virginia Resources Authority. See item 8.

7. Fiscal Impact Estimates: Preliminary.

8. Fiscal Implications: This bill establishes the Resilient Virginia Revolving Loan Fund to be administered by the Virginia Resources Authority (VRA) in consultation with the Soil and Water Conservation Board staffed by the Department of Conservation and Recreation (DCR). The provisions of the bill state that the Fund shall be supported by sums appropriated by the General Assembly. To capitalize the Fund, a budget amendment is required.

The bill does not require that the Fund be on the books of the State Comptroller. In addition, VRA does not have access to the state accounting system. It is anticipated that any appropriation provided for this Fund will require a pass-through agreement between DCR and VRA. Budget language authorizing the transfer of funding to VRA will be required. DCR has a similar arrangement with VRA for both the Dam Safety, Flood Prevention and Protection assistance Fund and the Community Flood Preparedness Fund

Provisions of the bill authorize VRA to disburse from the Fund its reasonable costs and expenses incurred in the administration and management of the Fund and a reasonable fee to be approved by the Board for its management services. VRA may provide a portion of that fee DCR to cover the department's costs and expenses in administering the Fund. At this time, the size and scope of this program is unknown. However, based on the Dam Safety, Flood Prevention and Protection Assistance Program, which DCR and VRA co-administer, DCR anticipates that it may require two additional full-time staff members. Nongeneral fund appropriation and positions will be needed to support the funding approved by VRA to cover

DCR's expenses. The estimated cost of the positions is \$208,000 annually. One position would be a program specialist (\$110,000 estimated salary and benefits) and the second position would be a grant specialist (\$98,000 estimated salary and benefits).

9. Specific Agency or Political Subdivisions Affected: Virginia Resources Authority; Department of Conservation and Recreation; localities.

10. Technical Amendment Necessary: No.

11. Other Comments: SB756 is the companion to this bill.