

## Department of Planning and Budget 2022 Fiscal Impact Statement

**1. Bill Number:** SB184

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

**2. Patron:** Ruff

**3. Committee:** Passed Both Houses

**4. Title:** Land use valuation for real estate devoted to forest use; creation of Forest Sustainability Fund.

**5. Summary:** Creates the Forest Sustainability Fund, to be administered by the State Forester. Localities that have adopted a use value assessment and taxation program for real estate devoted to forest use are eligible to apply for an allocation from the Fund. Awards are proportionally based upon the amount of revenue forgone in the previous fiscal year by localities due to the use value program.

**6. Budget Amendment Necessary:** A budget amendment will be necessary in order to capitalize the Fund. See item 8, below.

**7. Fiscal Impact Estimates:** Final. See Item 8, below.

**8. Fiscal Implications:** This bill requires the Department of Forestry (DOF) to develop guidelines for the administration of the Fund. It is anticipated that any costs the department may incur in developing the guidelines and administering the Fund can be absorbed within existing resources. The budget adopted by the House and the budget adopted by the Senate, each include \$1.0 million in FY 2023 to capitalize the Fund.

Localities are to use any funds received from the Fund to support public education generally or for projects related to outdoor recreation or forest conservation. It is anticipated that this bill will not impact Direct Aid expenditures by the Commonwealth to localities for education.

The Department of Taxation does not anticipate a fiscal impact from this bill.

**9. Specific Agency or Political Subdivisions Affected:** Department of Forestry, localities.

**10. Technical Amendment Necessary:** No

**11. Other Comments:** HB 180 also establishes the Forest Sustainability Fund.