

Department of Planning and Budget 2022 Fiscal Impact Statement

1. Bill Number: SB31

House of Origin ☐ Introduced ☒ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Marsden

3. Committee: Finance and Appropriations

4. Title: Virginia Land Conservation Foundation and Fund.

5. Summary: Directs the Governor to include a \$40.0 million recommended appropriation for the purpose of land preservation in the budget bill or amendments thereto each year. Currently, the Governor is directed to include an amount based on a formula set forth in the Code. The bill makes various changes to the allocation and use of funds for grants from the Virginia Land Conservation Fund, including allowing grants to be made to state-recognized and federally recognized Virginia Indian Tribes, and requires that at least one nonlegislative citizen member of the Virginia Land Conservation Foundation Board of Trustees be a member of a state-recognized or federally recognized Virginia Indian Tribe. The bill also increases the Board's biennial reporting obligation to become an annual report with additional reporting requirements. For the grant program, the bill would exempt holders of conservation easements that are accredited by the Land Trust Accreditation Commission from the current public body co-holder requirement. For fee-simple acquisition projects by non-governmental entities, the bill creates a new reversionary interest held by the Board in place of a public body holding an open-space easement on the property.

6. Budget Amendment Necessary: Yes to Items 98, 375, and 386 of HB30/SB30, as Introduced.

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

7a.1. Expenditure Impact: Department of Agriculture and Consumer Services, Item 98

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2023	\$625,000	0	GF
2024	\$625,000	0	GF
2025	\$625,000	0	GF
2026	\$625,000	0	GF
2027	\$625,000	0	GF
2028	\$625,000	0	GF
2029	\$625,000	0	GF

7a.2. Expenditure Impact: Department of Conservation and Recreation, Item 375

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2023	\$12,117,000	1	GF
2024	\$22,117,000	1	GF
2025	\$22,117,000	1	GF
2026	\$22,117,000	1	GF
2027	\$22,117,000	1	GF
2028	\$22,117,000	1	GF
2029	\$22,117,000	1	GF

7a.3. Expenditure Impact: Department of Historic Resources, Item 386

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2023	\$3,097,924	0	GF
2024	\$3,097,924	0	GF
2025	\$3,097,924	0	GF
2026	\$3,097,924	0	GF
2027	\$3,097,924	0	GF
2028	\$3,097,924	0	GF
2029	\$3,097,924	0	GF

- 8. Fiscal Implications:** This bill will have a general fund expenditure impact to the Departments of Agriculture and Consumer Services, Conservation and Recreation, and Historic Resources. This bill requires the Governor to include \$40.0 million in general fund appropriation in each fiscal year for the purpose of land preservation to be allocated as follows: 80 percent of such amount to the Virginia Land Conservation Fund administered by the Department of Conservation and Recreation (DCR); 10 percent of such amount to the Virginia Battlefield Preservation Fund administered by the Department of Historic Resources (DHR); and 10 percent of such amount to the Virginia Farmland Preservation Fund administered by the Department of Agriculture and Consumer Services (VDACS).

HB30/SB30, as introduced, includes a total general fund appropriation of approximately \$24.4 million in FY 2023 and \$14.4 million in FY 2024 across these three funds. Specifically, Item 98 includes approximately \$3.4 million in each year for the Virginia Farmland Preservation Fund. Item 375 includes \$20.0 million the first year and \$10.0 million the second year for the Virginia Land Conservation Fund, and Item 386 includes \$1.0 million in each year for the Virginia Battlefield Preservation Fund.

To meet the provisions of this bill, the general fund appropriation for the Virginia Farmland Preservation Fund are required to total \$4.0 million. To do so, a budget amendment of \$625,000 from the general fund in each year to Item 98 of HB30/SB30, as Introduced, is necessary. VDACS has indicated that current staff and resources are sufficient to address any increase in administrative workload that may occur as a result if the increased deposit to the Fund. .

For the Virginia Land Conservation Fund (VLCF), the bill requires an annual general fund appropriation of \$32.0 million. A budget amendment of \$12.0 million in FY 2023 and \$22.0 million in FY 2024 from the general fund is necessary, as Item 375 of HB30/SB30, as

Introduced, includes \$20.0 million in FY 2023 and \$10.0 million in FY 2024 for this program. Currently, DCR is authorized to utilize \$250,000 of interest from the VLCF to support administration of the program. One full-time position and one wage position support the program at the current level of funding. DCR has indicated that the increase in grant funding by \$12.0 million the first year and \$22.0 million the second year cannot be absorbed within current resources. The agency anticipates requiring one additional FTE and an annual general fund appropriation of \$117,000 to administer the program at the funding level proposed in the bill. In addition, this bill creates a new reversionary interest held by the Board in place of a public body holding an open-space easement on the property. DCR anticipates that this change will increase legal interests and responsibilities associated with eliminating the public body holder, and creation of reversionary interests and will require staff to consult with the Office of the Attorney General. At this time, any impact to the Office of Attorney General is unknown.

For the Virginia Battlefield Preservation Fund, the bill requires an annual general fund appropriation of \$4.0 million. A budget amendment of \$3.0 million in each year from the general fund is necessary, as Item 386 of HB30/SB30, as Introduced, includes \$1.0 million in each year for this program. Currently, this program is administered by one full-time employee with other duties and responsibilities, and requires approximately 4 hours of time/week. In addition to the staff resources dedicated to this program, the Introduced Budget Bill includes one full-time position and \$88,000 for a grant project coordinator to manage state and federal grants; however, in order to administer this Fund at triple the amount, DHR anticipates needing an additional part-time wage employee for a total of \$48,962 from the general fund in each year. This amount includes wages, social security, and other nonpersonal services costs.

DHR also assists with administration of the VLCF. DHR reviews all applications that identify historic resources as primary or secondary uses, and once grants are awarded, staff then work to process, execute, and record easements for any awardees with lands possessing historic resources. Currently, this work requires approximately 10 hours of time/week and is split between two full-time employees with other duties and responsibilities. DHR anticipates the need of an additional wage employee for a total of \$48,962 from the general fund in each year to assist with the VLCF program at the funding level proposed in the bill. In total, DHR anticipates a budget amendment of \$97,924, for two wage staff to administer the provisions of this bill.

Additionally, amendments to budget language in each of the aforementioned Items are necessary. Currently, budget language provides that the funding included in each of these Items for each of the three land conservation programs is sufficient to meet statutory deposit requirements in § 2.2-1509 A., Code of Virginia, one of the Sections amended by this bill.

- 9. Specific Agency or Political Subdivisions Affected:** Department of Conservation and Recreation; Department of Agriculture and Consumer Services; Department of Historic Resources; Office of Attorney General.

- 10. Technical Amendment Necessary:** No.

11. Other Comments: HB30/SB30, as Introduced, includes a one-time \$12.0 million general fund appropriation in FY 2023 for transfer to the Virginia Outdoors Foundation to support land acquisitions by federally recognized Tribes.