

Department of Planning and Budget

2022 Fiscal Impact Statement

1. Bill Number: SB537

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: Marsden

3. Committee: Passed Both Houses

4. Title: Trees; replacement and conservation during development process, powers of local government.

5. Summary: Expands to all localities provisions that currently only allow certain localities to adopt an ordinance providing for the planting and replacement of trees during the development process. The bill adds more flexibility for implementation and management of tree canopy banks, tree canopy credits, and tree canopy requirements. The bill changes and updates standards, reference documents, and published reference texts. The bill expands options for localities to disburse funds to charitable organizations. The bill adds percentage specifications for ordinances related to cemeteries. The bill removes the prohibition of invalidating local ordinances adopted before July 1, 1990, the allowance of 10-year minimum requirements for pre-1990 ordinances, and the inability to invalidate an ordinance adopted pursuant to the section relating to the replacement of trees during development process in certain localities. The provisions of the bill providing for the conservation of trees during the land development process will not become effective unless reenacted by the General Assembly in 2023.

Additionally, the bill requires the State Forester to develop tree canopy standards, and to meet with representatives of the Collaborative Decision-Making Group, and representatives of localities within Planning Districts 17 and 18, and the Southwest and Southside regions of Virginia, at least twice prior to the 2023 Session of the General Assembly to consider (i) provisions of the bill providing for the conservation of trees during the land development process; (ii) whether additional allowances should be permitted for tree planting and the use of in-lieu funds outside the locality where the development project occurs; (iii) any changes warranted to address the needs of rural localities; and (iv) how technical assistance could best be provided to all localities implementing the tree canopy ordinances provided by this act. The participants of the stakeholder group are to make recommendations to the Chairmen of the House Committee on Counties, Cities and Towns and the Senate Committee on Agriculture, Conservation and Natural Resources by December 1, 2022.

Finally, the bill requires that an ordinance adopted by a locality regarding the placement of trees in the development process provide for reasonable exceptions, to include allowing the unmet portion of a development's tree canopy requirement to be met by payment of a

calculated amount to the Natural Resources Commitment Fund to be used to support the implementation of riparian forested buffer best management practices through the Best Management Practices Cost-Share Program administered by the Department of Conservation and Recreation.

- 6. Budget Amendment Necessary:** No.
- 7. Fiscal Impact Estimates:** Final, see item 8.
- 8. Fiscal Implications:** It is anticipated that any fiscal impact this bill may have on the Department of Forestry or the Department of Conservation and Recreation can be absorbed within existing resources. Any revenue that may be deposited to the Natural Resources Commitment Fund is indeterminate.
- 9. Specific Agency or Political Subdivisions Affected:** Department of Forestry; Department of Conservation and Recreation; localities
- 10. Technical Amendment Necessary:** No
- 11. Other Comments:** None.