

## Department of Planning and Budget 2024 Session Fiscal Impact Statement

**1. Bill Number:** HB1085

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

**2. Patron:** Rasoul

**3. Committee:** Appropriations

**4. Title:** Department of Environmental Quality; PFAS; identification; monitoring; PFAS Advisory Committee.

**5. Summary:** Requires that the Department of Environmental Quality (DEQ), in collaboration with the Virginia Department of Health (VDH) prioritize and conduct assessments for identification of sources of per- and polyfluoroalkyl substances (PFAS) in public water supplies. Requires that certain water permit holders self-report PFAS manufacture and use and describes DEQ’s course of action when the agency identifies a potentially significant source of PFAS in the public water system's raw water source. Establishes the PFAS Expert Advisory Committee and sets meeting and reporting requirements. The provisions of the bill are not to be construed as limiting the authority of DEQ, VDH, or the owner or operator of any publicly owned treatment works to which any user discharges wastewater, to require monitoring or reporting or otherwise regulate the discharge of any PFAS chemicals or other pollutants under other applicable legal authority. For public water systems for which DEQ has received notice on or before September 1, 2024, of PFAS detected above the threshold in the bill, DEQ is required to issue notice of monitoring and self-reporting requirements by December 1, 2024.

**6. Budget Amendment Necessary:** Yes. Item 363, HB30/SB30 as introduced

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

**7a. Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2024	0	0	-
2025	380,160	0	GF
2026	380,160	0	GF
2027	380,160	0	GF
2028	380,160	0	GF
2029	380,160	0	GF
2030	380,160	0	GF

**8. Fiscal Implications:** It is anticipated that this bill will have general fund expenditure impact on DEQ.

DEQ does not have the expertise to carry out the requirements of the bill. The agency has identified 18 watersheds that may require PFAS assessment. According to DEQ, 70 to 80 additional watersheds could be identified, and the scope and complexity of their assessments can vary greatly from region to region. From the anticipated workload, DEQ estimates the three general-fund-supported positions will be needed in order to process information provided by VDH, develop a plan to implement PFAS assessments, design and implement the self-reporting mechanism for facilities, receive and review periodic monitoring reports from such facilities, and staff the PFAS Expert Advisory Committee. DEQ has sufficient vacant positions and does not require an adjustment to its maximum employment level (MEL).

DEQ supports water permitting programs through fees, federal funding, and general fund appropriation. According to the agency, none of these resources can be used to take on the tasks described in the bill, as federal funds are restricted, and permitting fees are directed towards expenses in the corresponding permitting programs. The bill allows Virginia Pollutant Discharge Elimination System (VPDES) permit holders to monitor and self-report to DEQ. The agency is in charge of receiving and processing these reports. DEQ's VPDES permitting program does not have the expertise to process PFAS data and is currently operating with a backlog and cannot absorb any more additional work. Additionally, DEQ has historically not had significant general fund balances in its Water Protection program. Any turnover and vacancy funds are not anticipated to be consistently available for DEQ to absorb the ongoing expenditure impact of this bill.

Information from VDH is not available at this time.

**9. Specific Agency or Political Subdivisions Affected:** Department of Environmental Quality; Virginia Department of Health; localities.

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** None.