

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: Passed both Houses.

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

5. Summary: Requires that the Virginia Department of Health (VDH) assist the Department of Environmental Quality (DEQ) by, on a quarterly basis, transferring to DEQ all validated monitoring results available to VDH that indicate per- and polyfluoroalkyl substances (PFAS) maximum contaminant level (MCL) exceedances. DEQ is required to develop and implement a plan to prioritize and conduct PFAS assessments for identifying significant sources of PFAS in such public water system's raw water source or sources. The bill specifies the parameters for these assessments. Provides that any facility that is a potential source of PFAS, as identified by DEQ, is required to self-report manufacture and use of such substances. The bill also establishes the PFAS Expert Advisory Committee. Finally, the bill requires DEQ to provide notice to certain public water systems of new self-reporting and monitoring requirements.

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

7. Fiscal Impact Estimates: Final. 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 that three general-fund-supported positions will be needed 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 address the tasks described in the bill, as federal funds are restricted, and permitting fees are fully dedicated towards expenses in the corresponding permitting programs. 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.

Budget amendments adopted by the House and the Senate include general fund appropriation and three positions for DEQ to carry out the requirements of this bill.

It is anticipated that VDH can absorb any fiscal impact that may result from this bill within existing resources.

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

10. Technical Amendment Necessary: No.

11. Other Comments: SB243 and HB1085 are companions.