

Department of Planning and Budget 2024 Session Fiscal Impact Statement

1. Bill Number: HB28

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

2. Patron: Jones

3. Committee: Rules

4. Title: Fossil fuel projects moratorium; transitioning energy workers, environmental justice protections.

5. Summary: Establishes a moratorium, effective January 1, 2025, on any approval by any state agency or political subdivision required for (i) electric generating facilities that generate fossil fuel energy through the combustion or use of a fossil fuel resource, (ii) import or export terminals for fossil fuel resources, (iii) modification of an import or export terminal for a fossil fuel resource, (iv) gathering lines or pipelines for the transport of any fossil fuel resource that requires the use of public land or eminent domain on private property, (v) modification of such gathering lines or pipelines, (vi) refineries of a fossil fuel resource, (vii) facilities that change the physical state of fossil fuels for the purposes of transporting such fuels, and (viii) exploration for any type of fossil fuel, unless preempted by applicable federal law. The measure requires the establishment of job training programs and energy worker protections, transitional assistance for workers in the fossil fuel industry and affected communities, and environmental justice protections.

6. Budget Amendment Necessary: See Item 8.

7. Fiscal Impact Estimates: Indeterminate. See Item 8.

8. Fiscal Implications: This bill would require the Department of Energy (DOE) to develop job training programs and transition assistance programs for workers impacted by the moratorium and provide scholarships, forgivable loans, employment guarantees, job training support, relocation support, tuition support, income support, early retirement benefits, and pension support. The bill specifies that these benefits “shall meet or exceed the worker's lost wages and benefits in the fossil fuel sector as well as the wages and benefits of the jobs lost in the fossil fuel sector”. The expenditure impact of such programs could be substantial but is indeterminate without reliable estimates of the number of qualifying individuals and their current compensation. Additionally, the bill directs DOE to establish scholarships and low-interest loans for job training programs in environmental justice communities. The expenditure impact is indeterminate, depending on the number of qualifying individuals.

The Department of Workforce Development and Advancement (DWDA) anticipates an indeterminate fiscal impact as a result of this bill, depending on the number of impacted individuals and scope of the programs to be developed.

The Office of the Attorney General (OAG) indicates the impact of this bill is indeterminate at this time. Denial of a permit is appealable under the Virginia Administrative Process Act (VAPA) and thus may result in increased litigation requiring representation by the OAG; however, the extent to which this may occur is unknown.

It is anticipated that the Department of Environmental Quality and the State Corporation Commission can absorb any fiscal impact as a result of this bill.

9. Specific Agency or Political Subdivisions Affected: Department of Energy, Department of Workforce Development and Advancement, Department of Environmental Quality, State Corporation Commission, Office of the Attorney General, Virginia Board of Workforce Development

10. Technical Amendment Necessary: No

11. Other Comments: None