

Department of Planning and Budget 2010 Fiscal Impact Statement

1. Bill Number: HB1137

House of Origin	<u>X</u>	Introduced	<u> </u>	Substitute	<u> </u>	Engrossed
Second House	<u> </u>	In Committee	<u> </u>	Substitute	<u> </u>	Enrolled

2. Patron: Morgan

3. Committee: Agriculture, Chesapeake and Natural Resources

4. Title: Ground water withdrawal permit fees.

5. Summary: This bill increases the maximum amount that the State Water Control Board can charge for a permit to withdraw ground water from \$6,000 to \$12,000. The term of a ground water permit is up to 10 years. The State Water Control Board is also authorized to set up a fee schedule to allow permit holder to pay their permit fees on an annual basis over the term of the permit.

6. Fiscal Impact Estimates: Indeterminate. See item 8.

7. Budget Amendment Necessary: No.

8. Fiscal Implications: The Department of Environmental Quality (DEQ) has 254 active permittees that could be subject to an increase in the permit fee over a 10 year period. This number is not certain, however, as inadequate groundwater supply may limit the number of permits. DEQ anticipates only 15 permits in the current year, and 14 in the next year. The possibility of a 10-year payment schedule further reduces certainty of revenue estimates for several years. Assuming all known permits become subject to the new rate, the annual permit fee revenue would increase by an average of \$152,400. Existing permit fees cover only 12 percent of the costs to operate the ground water withdrawal permitting program.

9. Specific Agency or Political Subdivisions Affected: The Department of Environmental Quality.

10. Technical Amendment Necessary: No.

11. Other Comments: None.

Date: 2/9/2010 dpbbrb

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