2026 Special Session I

Budget Bill - HB30 (Enrolled)

Secretary of Natural Resources

Item 361	First Year - FY2027	Second Year - FY2028
Administrative and Support Services (79900)	**$2,895,227**	**$1,395,227**
General Management and Direction (79901)	$2,895,227	$1,395,227
Fund Sources:		
General	$2,770,980	$1,270,980
Federal Trust	$124,247	$124,247

Authority: Title 2.2, Chapter 2, Article 7; and § 2.2-201, Code of Virginia.

A. The Secretary of Natural and Historic Resources shall report to the Chairs of the Senate Committees on Finance and Appropriations, and Agriculture, Conservation, and Natural Resources, and the House Committees on Appropriations and Conservation and Natural Resources, by November 4 of each year on implementation of the Chesapeake Bay nutrient reduction strategies. The report shall include and address the progress and costs of point source and nonpoint source pollution strategies. The report shall include, but not be limited to, information on levels of dissolved oxygen, acres of submerged aquatic vegetation, computer modeling, variety and numbers of living resources, and other relevant measures for the General Assembly to evaluate the progress and effectiveness of the tributary strategies. In addition, the Secretary shall include information on the status of all of Virginia's commitments to the Chesapeake Bay Agreements.

B. It is the intent of the General Assembly that a reserve be created within the Virginia Water Quality Improvement Fund to support the purposes delineated within the Virginia Water Quality Improvement Act of 1997 (WQIA 1997) when year-end general fund surpluses are unavailable. Consequently, 15 percent of any amounts appropriated to the Virginia Water Quality Improvement Fund due to annual general fund revenue collections in excess of the official estimates contained in the general appropriation act shall be withheld from appropriation, unless otherwise specified. When annual general fund revenue collections do not exceed the official revenue estimates contained in the general appropriation act, the reserve fund may be used for WQIA 1997 purposes as directed by the General Assembly within the general appropriation act.

C. The Secretary of Natural and Historic Resources, with the assistance of the Directors of the Department of Conservation and Recreation, the Department of Environmental Quality, the Department of Wildlife Resources, and the Department of Historic Resources, shall provide an annual report to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees of all projects undertaken pursuant to a settlement or mitigation agreement upon which the Secretary of Natural and Historic Resources is an authorized signatory on behalf of the Governor by November 15 each year until all terms of the settlement or mitigation agreement are satisfied. In addition, whenever a settlement or mitigation agreement is finalized, the Secretary shall provide a copy of, and explanation of, the terms of such settlement to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees within 15 days.

D. Out of the amounts provided for this item, $500,000 the first year and $500,000 the second year from the general

fund and three positions are provided to establish the Office of Commonwealth Resilience.

E.1. The Secretary of Natural and Historic Resources shall convene a workgroup to study the requirements for and historical implementation of the Water Quality Improvement Fund pursuant to § 10.1-2128, Code of Virginia.

2. The workgroup shall review and make recommendations on the Water Quality Improvement Fund including the organizational structure in the Code of Virginia and budget, disposition of funding, feasibility of the incorporation of the Stormwater Local Assistance Fund, grant approval guidelines including cost-effectiveness and co-benefits of practices funded, grant agreement terms, annual reporting requirements, potential improvements to the current funding needs assessments, and outdated or unnecessary requirements.

3. The recommendations on the organizational structure in the Code of Virginia and budget shall include streamlining the funding and sub-fund structure, updating terminology and structure to enhance transparency, ensuring consistency with the Commonwealth's commitments to and mandates for water quality, and coordinating Code and budget language. Recommendations shall be made for items appropriate to include in the Code of Virginia and items appropriate to include in the budget.

4. The review of the allocation of funding shall include mandatory deposits between sectors, discretionary deposits between sectors, the reserve fund and how to best leverage its usage to meet nutrient reduction goals, the use of interest including for administrative costs, and the Natural Resources Commitment Fund including technical assistance funding, the allotment of funding between the Chesapeake Bay and Southern Rivers watersheds, and the redistribution of unobligated funds between watersheds.

5. The workgroup shall include, but not be limited to, representatives from the Department of Conservation and Recreation, the Department of Environmental Quality, the Virginia Association of Soil and Water Conservation Districts, the Virginia Farm Bureau Federation, Virginia Cattlemen's Association, the Virginia Association of Municipal Wastewater Agencies, the Virginia Municipal Stormwater Association, the Chesapeake Bay Commission, the Chesapeake Bay Foundation, the James River Association, the Virginia Association of Counties, the Virginia Municipal League, and staff of the House Appropriations and Senate Appropriations and Finance Committees.

6. The workgroup's findings and recommendations shall be reported to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees, the Chairs of the House Agriculture, Chesapeake, and Natural Resources and the Senate Agriculture, Conservation, and Natural Resources Committees, and the Chair of the State Water Commission no later than November 1, 2026.

F. Out of the appropriation in this item, $1,500,000 the first year from the general fund is provided for the nonfederal match for a United States Army Corps of Engineers study of the causes of and potential solutions to widening in Chincoteague Inlet.