2026 Special Session I

Budget Bill - HB30 (Enrolled)

Department of Environmental Quality

Item 366	First Year - FY2027	Second Year - FY2028
Water Protection (51200)	**$65,221,062**	**$62,772,686**
Water Protection Permitting (51225)	$14,269,195	$14,269,195
Water Protection Compliance and Enforcement (51226)	$10,277,682	$10,277,682
Water Protection Outreach (51227)	$4,662,480	$4,662,480
Water Protection Planning and Policy (51228)	$9,963,948	$9,965,572
Water Protection Monitoring and Assessment (51229)	$17,244,567	$14,794,567
Water Protection Stormwater Management (51230)	$8,803,190	$8,803,190
Fund Sources:		
General	$37,802,665	$35,354,289
Special	$2,070,106	$2,070,106
Trust and Agency	$25,500	$25,500
Dedicated Special Revenue	$16,005,192	$16,005,192
Federal Trust	$9,317,599	$9,317,599

Authority: Title 10.1, Chapter 11.1; and Title 62.1, Chapters 2, 3.1, 3.2, 3.6, 5, 6, 20, 22, 24, and 25, Code of Virginia.

A. Out of this appropriation, $54,140 the first year and $55,764 the second year from the general fund is designated for annual membership dues for the Ohio River Valley Water Sanitation Commission.

B.1. The permit fee regulations adopted by the State Water Control Board pursuant to paragraphs B.1. and B.2. of § 62.1-44.15:6, Code of Virginia, shall be set at an amount representing not more than 50 percent of the direct costs for the administration, compliance and enforcement of Virginia Pollutant Discharge Elimination System permits and Virginia Pollution Abatement permits.

2. The regulations adopted by the State Water Control Board to initially implement the provisions of this Item shall be exempt from Article 2 (§ 2.2-4006, et seq.) of Chapter 40 of Title 2.2, Code of Virginia, and shall become effective no later than July 1, 2010. Thereafter, any amendments to the fee schedule described by these acts shall not be exempted from Article 2 (§ 2.2-4006, et seq.) of Chapter 40 of Title 2.2, Code of Virginia.

C. Out of the appropriation for this Item, $205,100 the first year and $205,100 the second year from the general fund is designated for the annual membership dues for the Interstate Commission on the Potomac River Basin.

D. Notwithstanding § 62.1-44.15:56, Code of Virginia, public institutions of higher education, including community colleges, colleges, and universities, shall be subject to project review and compliance for state erosion and sediment control requirements by the local program authority of the locality within which the land disturbing activity is located, unless such institution submits annual specifications to the Department, in accordance with § 62.1-44.15:56 A (i), Code of Virginia.

E. Beginning October 1, 2015, there shall be a $3.75 fee imposed on each dry ton of exceptional quality biosolids cake sewage sludge that is land applied pursuant to § 62.1-44.19:3P, Code of Virginia, until such fee is altered, amended or rescinded by the State Water Control Board.

F. The Department shall work in conjunction with the Virginia Economic Development Partnership to facilitate the development of long-term offsetting methods within the Virginia Nutrient Credit Exchange as set out in Item 310 of this act.

G. Notwithstanding any other provision of law, any Virginia Stormwater Management Program authority is authorized to charge a voluntary fee of $30,000 for review of sites or areas within common plans of development or sale with land-disturbance acreage equal to or greater than 100 acres for an expedited stormwater management program plan review. Any individual or firm electing to pay the voluntary fee shall be guaranteed the total government review time shall not exceed 45 days excluding any applicant's time in responding to questions. Any amounts paid to the Department above the $9,600 fee shall be used by the Department to increase the staffing level of the reviewers of these applications.

H. Out of the amounts in this Item, $797,626 the first year and $797,626 the second year from the general fund is included for the purchase of laboratory and field equipment.

I. Out of the amounts appropriated for this Item, $981,000 the first year and $981,000 the second year is provided for regional water resource planning activities.

J.1. Out of the amounts appropriated for this Item, $1,100,000 the first year and $1,100,000 the second year from the general fund is to be deposited in the Virginia Stormwater Management Fund.

2. Notwithstanding § 62.1-44.15:28, as it is currently effective and as it shall become effective, Code of Virginia, the permit fee regulations adopted by the State Water Control Board pursuant to § 62.1-44.15:28, as it is currently effective and as it shall become effective, Code of Virginia, for the Virginia Pollutant Discharge Elimination System Permit for Discharges of Stormwater from Construction Activities and municipal separate storm sewer system permits shall be set at an amount representing no less than 60 percent, not to exceed 62 percent, of the direct costs for the administration, compliance and enforcement of Virginia Pollutant Discharge Elimination System Permit for Discharges of Stormwater from Construction Activities and municipal separate storm sewer system permits. To the extent practicable, the Board shall solicit input from affected stakeholders when establishing the new fee structure.

3. Notwithstanding § 62.1-44.19:20, Code of Virginia, the application fee schedule adopted by the State Water Control Board pursuant to § 62.1-44.19:20, Code of Virginia, shall be set at an amount representing no less than 60 percent, not to exceed 62 percent, of the direct costs for the administration, compliance and enforcement of the nutrient credit certification program. To the extent practicable, the Board shall solicit input from affected stakeholders when establishing the new fee structure.

K. The Director of the Department shall convene a working group for the purpose of developing an annual or project-based fee schedule for the review of erosion and sediment control plans related to solar energy project applications. The working group shall include representatives of (i) private sector companies that own or operate solar energy facilities, (ii) local governments that permit solar facilities, and (iii) other stakeholders determined by the Department to be necessary to the development of the fee schedule.

L. Out of the amounts in this Item, $750,000 the first year and $750,000 the second year to establish a mitigation trading platform and wetland in-lieu fee mitigation program consistent with the provisions of § 62.1-44.15:23.1, Code of Virginia.

M.1. The Department of Environmental Quality (Department) shall amend 9VAC25-780, Local and Regional Water Supply Planning, no later than July 1, 2027, to establish criteria for the Department to determine "Cooling Water Scarcity Areas" where the evaporation of water for cooling purposes could have detrimental reductions in the quality or quantity of water available for other beneficial uses, with a particular focus on the Eastern Virginia Groundwater Management Area, as that term is defined in 9VAC25-600-20(A). The initial promulgation of such regulations is hereby exempted from the Administrative Process Act (§ 2.2-4000 et seq. of the Code of Virginia) and the Department shall complete such regulatory action without further action by the State Water Control Board.

2. In a Cooling Water Scarcity Area, prior to July 1, 2032, a data center, as that term is defined in subdivision A 43 of § 58.1-3506, Code of Virginia, must certify to the Department that for cooling purposes it will use air cooling, closed loop cooling systems, or more efficient cooling systems that become available, to the maximum extent practicable, as determined by the Department, to minimize the use of any type of water for cooling purposes. In the Eastern Virginia Groundwater Management Area, all new data centers who submit a complete application for a Department of Environmental Quality air permit after January 1, 2027, shall either use air cooling systems, 100 percent recycled water and/or stormwater for cooling, or use a closed loop system. The Department, by October 15, 2026, shall conduct a study and provide a plan on the retrofitting of existing data centers in the Eastern Virginia Groundwater Management Area to use air cooling systems, 100 percent recycled water and/or stormwater for cooling, or use a closed loop system.

N. The Department of Environmental Quality (the Department) shall study the threats and challenges to the groundwater supply in western Loudoun and Fauquier Counties. In conducting such study, the Department shall (i) provide historical and current data and trends relating to groundwater levels and groundwater quality; (ii) include future projections for groundwater levels and groundwater quality; (iii) evaluate potential future impacts to the groundwater supply as a result of increasing groundwater withdrawals; (iv) evaluate whether a groundwater management area should be established for the region pursuant to Chapter 25 (§ 62.1-254 et seq.) of Title 62.1 of the Code of Virginia; and (v) recommend any statutory or regulatory restrictions to ensure that future development in the region does not endanger the health and safety of the region's residents nor the water needs of existing commercial enterprises. Technical assistance shall be provided to the Department by the State Water Control Board. All agencies of the Commonwealth shall provide assistance to the Department for this study, upon request. The Department shall complete its meetings by November 30, 2026, and shall submit to the Chairs of the House Committee on Agriculture, Chesapeake and Natural Resources and the Senate Committee on Agriculture, Conservation and Natural Resources a report of its findings and recommendations no later than December 31, 2026. Out of the amounts in this item, $200,000 the first year is provided to support the activities required by this paragraph.

O. Included in the appropriation for this Item is $300,000 in the first year and $200,000 in the second year from the general fund for the Department of Environmental Quality, in consultation with Virginia Tech, to evaluate the feasibility and cost of aquifer recharge at wastewater treatment facilities in the Eastern Virginia Groundwater Management Area in addition to those facilities already included in the Hampton Roads Sanitation District's Sustainable Water Initiative for Tomorrow (SWIFT) project, as well as an assessment of other beneficial uses of treated wastewater such as for cooling, irrigation, industry, or other gray water uses. The analysis shall be provided to the Chairs of the State Water Commission, House Committee on Agriculture, Chesapeake, and Natural Resources, and Senate Committee on Agriculture, Conservation, and Natural Resources by July 1, 2027.

P. The Department shall conduct a statewide PFAS disposal analysis, including consideration and estimates, as appropriate, of available landfill capacity, future landfill or monofill capacity, incineration or other available and innovative PFAS destruction technologies, environmental impacts of alternatives, costs estimated at the state, locality or utility, and household levels, and loss of biosolids land applications benefits to farmers. The Department

shall engage the services of a qualified consulting engineering firm with significant experience in disposal alternatives and shall oversee the analysis with the assistance of the PFAS Advisory Committee. Out of the amounts in this item, $500,000 the first year from the general fund is provided to effectuate the provisions of this paragraph.

Q. Out of the amounts in this Item, $1,150,000 the first year from the general fund is provided for the Department to install up to five additional multi-well research stations to gather additional data to study the upper portions of the Eastern Virginia Groundwater Management Area. Any funding remaining on June 30 shall be carried forward and reappropriated into the next fiscal year for the purposes described in this paragraph.