2026 Special Session I

Budget Bill - HB30 (Enrolled)

Department of Environmental Quality

Item 367	First Year - FY2027	Second Year - FY2028
Air Protection (51300)	**$31,789,292**	**$31,589,292**
Air Protection Permitting (51325)	$7,757,483	$7,757,483
Air Protection Compliance and Enforcement (51326)	$7,338,467	$7,338,467
Air Protection Outreach (51327)	$1,189,383	$1,189,383
Air Protection Planning and Policy (51328)	$9,776,496	$9,576,496
Air Protection Monitoring and Assessment (51329)	$5,727,463	$5,727,463
Fund Sources:		
General	$4,324,171	$4,124,171
Special	$5,577,181	$5,577,181
Enterprise	$11,560,901	$11,560,901
Dedicated Special Revenue	$5,762,670	$5,762,670
Federal Trust	$4,564,369	$4,564,369

Authority: Title 10.1, Chapters 11.1 and 13; and Title 46.2, Chapter 10, Code of Virginia.

A. The Department is authorized to use up to $300,000 the first year and $300,000 the second year from the Vehicle Emissions Inspection Program Fund to implement the provisions of Chapter 710, Acts of Assembly of 2002, which authorizes the department to operate a program to subsidize repairs of vehicles that fail to meet emissions standards established by the Air Pollution Control Board when the owner of the vehicle is financially unable to have the vehicle repaired.

B.1. All of the permit program emissions fees collected by the State Air Pollution Control Board pursuant to § 10.1-1322, Code of Virginia, shall be assessed and collected on an annual basis notwithstanding the provisions of that section. The State Air Pollution Control Board shall adopt regulations adjusting permit program emissions fees collected pursuant to § 10.1-1322, Code of Virginia, and establish permit application processing fees and permit maintenance fees sufficient to ensure that the revenues collected from fees cover the total direct and indirect costs of the program consistent with the requirements of Title V of the Clean Air Act, except that the initial adjustment to permit program emissions fees shall not be increased by more than 30 percent over current rates. Notwithstanding the provisions of § 10.1-1322, Code of Virginia, the permit application fees collected pursuant to this paragraph shall not be credited towards the amount of annual fees owed pursuant to § 10.1-1322, Code of Virginia. All of the fees adopted pursuant to this section shall be adjusted annually by the Consumer Price Index.

2. The State Air Pollution Control Board shall adopt regulations to prohibit the sale, lease, rent, installation or entry into commerce in Virginia of any products or equipment that use or will use hydrofluorocarbons for the

applications and end uses restricted by Appendix U and Appendix V of Subpart G of 40 C.F.R. Part 82, as those read on January 3, 2017. Notwithstanding the foregoing, such regulations shall not prohibit the use of hydrofluorocarbons in the manufacturing process by extruded polystyrene boardstock and billet manufacturers located in Virginia to produce products for sale and distribution outside of the Commonwealth, until the Board has solicited input from such manufacturers in order to determine and set by regulation a feasible date by which such manufacturers must be required to comply. In developing regulations, the Board shall solicit input from a workgroup of relevant stakeholders assembled by the Department.

3. The regulations adopted by the State Air Pollution Control Board to initially implement the provisions of this item shall be exempt from Chapter 40 of Title 2.2, Code of Virginia, and shall become effective no later than July 1, 2021. Thereafter, any amendments to the fee schedule described by these acts shall not be exempted from Chapter 40 of Title 2.2, Code of Virginia.

C. Out of the amounts in this Item, $64,842 the first year and $64,842 the second year from the general fund is included for the purchase of laboratory and field equipment.

D. The State Air Pollution Control Board shall make modifications to its final regulation prohibiting the use of certain hydrofluorocarbons such that these regulations shall not prohibit the use of hydrofluorocarbons in the manufacturing process by aviation and aerospace businesses located in Virginia to produce products for sale and distribution.

E. Notwithstanding any other provision of law, the Department shall adopt and is authorized to enforce regulations for noise at any data center, as that term is defined in subdivision A 43 of § 58.1-3506, Code of Virginia, to be effective no later than December 31, 2029. Such regulations shall: (i) be based on the Department's determination of the lowest achievable noise from a data center; (ii) establish the lowest achievable noise for a data center; (iii) provide that on or after January 1, 2030, any data center that violates such regulations shall be subject to a civil penalty of up to $32,500 per day of violation; and, (iv) authorize and provide for enforcement by the Department or the locality in which the data center is located. The initial promulgation of such regulations is hereby exempted from the Administrative Process Act (§ 2.2-4000 et seq. of the Code of Virginia). This item and such regulations shall not be construed to limit the authority of any locality to adopt a more restrictive local ordinance regulating noise.

F. Notwithstanding any other provision of law, beginning July 1, 2026, an amount equal to 45 percent of all revenue collected pursuant to a program established under § 10.1-1330 of the Code of Virginia, shall be remitted by the Commonwealth to any Phase I or Phase II Utility, as those terms are defined in subdivision A 1 of § 56-585.1 of the Code of Virginia, which has a rate adjustment clause petition approved or pending approval by the State Corporation Commission (the “Commission") pursuant to subdivision A 5 e of § 56-585.1 of the Code of Virginia for recovery of the costs of emissions allowances, and the Utility shall subsequently distribute such funds received from the Commonwealth as a credit to its customers in the residential, Small General Service, and church classes in a manner approved by the Commission, including that such credit shall be reflected as a line item on the customer bill. The remaining 55 percent of the revenue collected shall be distributed consistent with § 10.1-1330 C. of the Code of Virginia.