2026 Special Session I

Budget Bill - HB30 (Introduced)

Bill Order » Natural and Historic Resources » Item 368

Department of Environmental Quality

Item 368	First Year - FY2027	Second Year - FY2028
Environmental Financial Assistance (51500)	**$258,956,273**	**$66,890,865**
Financial Assistance for Environmental Resources Management (51502)	$55,337,259	$11,842,731
Virginia Water Facilities Revolving Fund Loans and Grants (51503)	$31,604,757	$23,588,877
Financial Assistance for Coastal Resources Management (51507)	$1,924,500	$1,924,500
Litter Control and Recycling Grants (51509)	$4,200,000	$4,200,000
Virginia Water Quality Improvement Fund (51510)	$140,555,000	$0
Petroleum Tank Reimbursement (51511)	$25,334,757	$25,334,757
Fund Sources:		
General	$197,519,524	$5,454,116
Trust and Agency	$25,334,757	$25,334,757
Dedicated Special Revenue	$28,355,097	$28,355,097
Federal Trust	$7,746,895	$7,746,895

Authority: Title 10.1, Chapters 11.1, 14, 21.1, and 25 and Title 62.1, Chapters 3.1, 22, 23.2, and 24, Code of Virginia.

A. To the extent available, the authorization included in Chapter 781, 2009 Acts of Assembly, Item 368, paragraph E, is hereby continued for the Virginia Public Building Authority to issue revenue bonds in order to finance Virginia Water Quality Improvement Grants, pursuant to Chapter 851, 2007 Acts of Assembly.

B.1. Grants awarded from the Stormwater Local Assistance Fund, as established in §62.1-44.15:29.1, Code of Virginia shall be used only for the acquisition of certified nonpoint nutrient credits and capital projects meeting all pre-requirements for implementation, including but not limited to: i) new stormwater best management practices; ii) stormwater best management practice retrofits; iii) stream restoration; iv) low impact development projects; v) buffer restoration; vi) pond retrofits; and vii) wetlands restoration. Such grants shall be in accordance with eligibility determinations made by the State Water Control Board under the authority of the Department.

2. Out of amounts in this Item, $43,494,528 the first year from the general fund is provided for deposit in the Stormwater Local Assistance Fund.

C. Out of such funds available in this Item, the Department shall provide funding to the Virginia Geographic Information Network in an amount necessary to implement statewide digital orthography to improve land coverage data necessary to assist localities in planning and implementing stormwater management programs. As part of this authorization, the Department shall also include data to update prior LIDAR surveys of elevations along coastal areas to support activities related to management of recurrent coastal flooding.

D. Out of the amounts appropriated for Financial Assistance for Environmental Resources Management, $3,292,479 the first year and $3,292,479 the second year from federal funds is provided to implement stormwater management activities.

E. The Auditor of Public Accounts shall include in the Specifications for Audits of Counties, Cities, and Towns regulations for all local governments establishing a utility or enacting a system of service charges to support a local stormwater management program pursuant to § 15.2-2114, Code of Virginia, a requirement to ensure that each impacted local government is in compliance with the provisions of § 15.2-2114 A., Code of Virginia. Any such adjustment to the Specifications for Audits of Counties, Cities, and Towns regulations shall be exempt from the Administrative Process Act and shall be required for all audits completed after July 1, 2014.

F. Out of the amounts in this Item, $8,015,880 the first year from the general fund is provided for the Department to meet matching requirements corresponding to anticipated federal funding available through the Virginia Clean Water Revolving Loan Fund as a result of the Infrastructure Investment and Jobs Act.

G.Grantee owners of Enhanced Nutrient Removal Certainty (ENRC) Program and other Water Quality Improvement Fund (WQIF) projects subject to a grant agreement with the Department shall submit a forecast of projected quarterly grant disbursements covering each quarter of the current fiscal year and the next fiscal year thereafter. The Department shall compile the grantee-supplied forecasts of projected quarterly grant disbursements and compare expected disbursements to available appropriations to provide advance notice of any potential shortfall. The Department shall submit each forecast to the Chairs of the House Appropriations Committee and the Senate Finance and Appropriations Committee on a quarterly basis.

H. From amounts in this Item, $140,550,000 the first year from the general fund is provided for deposit into the WQIF. This amount is provided for the Hampton Roads Sanitation District Boat Harbor Treatment Plant project subject to grant agreement #440-S-24-01.
I. Pending further action in subsequent General Assembly sessions and prior to public comment and approval of future WQIF eligible projects that exceed unobligated balances held by the Department, the Department shall report qualified WQIF projects to the Governor and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees for funding consideration no later than October 1st annually. As such, the Department shall establish a WQIF solicitation period to determine project demand, as well as criteria to prioritize eligible projects based on quantifiable nutrient reduction impact, cost-effectiveness of the project, impact on cost shared projects with multiple funding sources, funding need of the requesting entity, and project readiness. Grant agreements for awarded projects shall be fully executed before project construction costs are incurred, and no amount shall be awarded for a grantee to backfill project costs met with any type of taxable debt.

J. Notwithstanding § 62.1-44.19:14 G. 1., Code of Virginia, the compliance schedule deadline for the Spotsylvania Co.-FMC WWTF and Spotsylvania Co.-Massaponax WWTF projects shall be January 1, 2027, and for the Fredericksburg WWTF project shall be January 1, 2030. For each compliance year from January 1, 2026, until such deadline that each project does not achieve the nutrient removal technology concentration specified in § 62.1-44.19:14 G. 1., Code of Virginia, the facility owner shall be responsible for acquiring sufficient point source credits to comply with its total nitrogen and total phosphorus waste load allocations applicable to that compliance year. In addition, for the Fredericksburg WWTF project, the City of Fredericksburg shall commence construction by July 1, 2025, report its progress to the Department on February 1 and August 1 each year until completion, and place nutrient removal technology in service as soon as practical prior to January 1, 2030. By July 1, 2025, or as soon as possible thereafter, the Department of Environmental Quality shall (a) modify the Virginia Pollutant Discharge Elimination System permits for each facility consistent with the deadlines and requirements of this paragraph and (b) amend any existing water quality improvement agreement pursuant to § 10.1-2131, Code of Virginia, for each project in a manner consistent with the requirements and deadlines of this paragraph.

K. The authorization of $20,000,000 from the general fund for a pay-for-outcomes pilot program in the Chesapeake

Bay Watershed provided in Item 365, paragraph L, Chapter 725, 2025 Acts of Assembly shall continue, including all conditions set forth in the prior authorization. Any balances from this amount that remain unexpended at year-end shall not revert to the general fund but shall be carried forward and reappropriated.

L. The Department shall provide technical assistance to the City of Bristol in resolving ongoing health, environmental, and quality of life issues with its landfill and to facilitate a long-term plan for the operational status of the landfill following the completion of mitigation efforts.