

*Report of the
House Appropriations
Subcommittee*

on

Natural Resources



House Bill 29

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House Bill 30

February 22, 2004

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**Respectfully Submitted by the House Appropriations
Subcommittee on Natural Resources:**

Riley E. Ingram, Chairman

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REPORT OF THE SUBCOMMITTEE

on

NATURAL RESOURCES

Mr. Chairman and Members of the Committee:

As we began our review of the funding proposed for Natural Resource agencies in the introduced budget, this Subcommittee was fully aware that expenditures within this area of government had been reduced by 45 percent since fiscal year 2001. We also were cognizant of the fact that our state's Constitution mandates that Virginia's natural resources be preserved for the enjoyment of its citizens. Consequently, this Subcommittee quickly and unanimously determined that, even in these most difficult times, protecting our natural resources is a core function of state government. Therefore, if at all possible, the Subcommittee was determined to at least maintain the existing level of funding for Virginia's natural resources. I am glad to report that we were more than able to meet this objective.

Mr. Chairman, I want to thank you and the other Subcommittees Chairmen for support of our efforts to improve the protection of Virginia's natural resources. Because of your support, and your commitment to avoiding further reductions within areas that had previously been cut, I am able to report to you today that not only were we able to maintain the existing level of funding for Natural Resources agencies, but we were able to gain some lost ground by restoring some previous cuts to the State Parks and Soil and Water Conservation Districts.

Our first and foremost objective in crafting the Subcommittee's recommendations was to preserve the current level of funding provided to Natural Resources agencies. I am happy to report that the Subcommittee achieved this objective. Our recommendations will not result in the reduction of any Natural Resource agency's

existing budget. At the same time however, we can not afford to move forward with any new initiatives.

In the area of water quality, the Subcommittee is recommending the deposit of \$7.7 million into the Water Quality Improvement Fund. This deposit, which is based upon the budget surplus generated in fiscal year 2003, will be used by the Departments of Environmental Quality and Conservation and Recreation to improve the health of Virginia's waterways. In particular, these dollars will be used to reduce the level of nutrients entering Virginia's waters by improving the operations of wastewater treatment plants and supporting the implementation of best management practices on agricultural land.

As I indicated, the Subcommittee was able to begin the process of restoring some of the cuts that were previously made to the Natural Resources agencies.

In 2001, our state parks were recognized as the best-managed state parks in the nation. In November 2002, nearly 70 percent of the voters approved a bond package to finance \$119.0 million in park improvements. Nevertheless, general fund support for our state parks has been significantly reduced over the past three years. If we are to maintain the excellence of our state parks system, we must begin restoring this general fund support. This Subcommittee is, therefore, recommending that \$1.0 million be used to restore 10 previously vacant positions in our existing 34 state parks and to offset some of the other reductions that have been made to state park operations.

In addition to restoring operating support, House Bill 29 includes approximately \$2.5 million for the state park system, representing the state's share of the clean-up costs incurred from Hurricane Isabel. These funds, which are included in the \$49.0 million statewide relief package, will be matched with 75 percent federal funding.

Another area the Subcommittee felt needed assistance is our local Soil and Water Conservation Districts. As you know, these unpaid but highly dedicated volunteers are our front line of defense in protecting the environment. Without our support, these local efforts cannot be as successful in protecting our state waters from sediment and nutrient pollution. Therefore, we are recommending the restoration of \$250,000 in general fund support for these programs.

Finally, I am happy to report this Subcommittee was able to recommend the restoration of the litter grants currently made to local governments. These grants support local litter control programs and coordinators. However, in the absence of this Subcommittee's actions, there would have been no money available for these grants in fiscal year 2005. To eliminate this problem, the Subcommittee is recommending that these grants be paid at the end of each fiscal year rather than at the beginning of each year. This policy shift will ensure that sufficient revenue is collected to make these payments in both the upcoming fiscal year and in future years.

Following the staff explanation of our amendments, we hope it will be the pleasure of the Committee to adopt our recommendations.

BUDGET AMENDMENT RECOMMENDATIONS

Amendment	House Bill 29 FY 2004	2004-06 BIENNIAL TOTAL		
		General Fund	Nongeneral Fund	FTE

Natural Resources

HB 29 REVENUES

Environmental Quality

Auction of Nitrogen Oxide Credits 3,072,000

SUBTOTAL REVENUES

3,072,000

0

0

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HB 29 SUBTOTAL

0

0

0

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Department of Conservation and Recreation

Soil and Water Conservation Districts 250,000 0 0.00

Eliminate Breaks Interstate Park Match Language

Restore State Park Funding 1,000,000 0 10.00

Department of Environmental Quality

Eliminate Water Supply Funding (1,000,000) 0 0.00

Eliminate Elizabeth River Clean-up Funding (100,000) 0 0.00

Restore Litter Control and Recycling Grants Language

Department of Game and Inland Fisheries

Continue Operation of Montibello Fish Hatchery Language

Eliminate Contingent Language Language 0 0.00

Eliminate general fund operations support (1,466,722) 0 0.00

Virginia Marine Resources Commission

Eliminate Non-Native Oyster Study Funding (200,000) 0 0.00

Virginia Museum of Natural History

Reduce general fund support (169,944) 0 0.00

Part 3/Part 4

Eliminate Recordation Fee Contingent Language Language

Deposit Recordation Fee to General Fund Language

Exempt DCR NGF Projects from Capital Review Language

DCR NGF Land Purchase Authority Language

HB 30 SUBTOTAL

(1,686,666)

0

10.00

GRAND TOTAL

(1,686,666)

0

10.00

Natural Resources

Department Of Conservation And
Recreation

Language

Language:

Page 300, line 19, strike "matching".

Page 300, line 22, after "fund.", insert:

"The amounts included for this purpose shall not be dependent upon the support provided to the Breaks Interstate Park by the Commonwealth of Kentucky."

Explanation:

(This amendment eliminates language that conditioned Virginia's support for the Breaks Interstate Park upon the total level of support provided by the Commonwealth of Kentucky. Currently, regardless of how much general fund support Virginia may provide to the Breaks Interstate Park, the park cannot use the full amount of that appropriation unless Kentucky contributes an equal or greater amount. Because Kentucky provided less support to the park than Virginia in both fiscal year 2003 and fiscal year 2004, the Breaks Interstate Park was required to return \$29,000 in support from Virginia each year.)

Natural Resources

Department Of Environmental
Quality

Language

Language:

Page 305, after line 14, insert:

"F. Pursuant to § 10.1-1422.01, Code of Virginia, the Department of Environmental Quality shall distribute Litter Control and Recycling Grants to localities in June of each fiscal year based upon the revenues collected during the period between June of the previous fiscal year and May of the current fiscal year.

Explanation:

(This amendment provides for the restoration of Litter Control and Recycling Grants to localities in fiscal year 2005. Previously approved transfers had swept the funds necessary to make these local grants into the general fund. The language provides that these grants shall now be made each June based upon the revenue

collected between June of the previous fiscal year and May of the current fiscal year.)

Natural Resources Subcommittee

Item 393 #2h

Natural Resources

Department Of Game And Inland
Fisheries

Language

Language:

Page 307, after line 35, insert:

"C. It is the intent of the General Assembly that the Department continue operation of the Montibello Hatchery in both the first and second year of the biennium and that the department provide public access to this hatchery for at least six months a year in both the first and second year."

Explanation:

(This amendment includes language that would require the Department of Game and Inland Fisheries to operated the Montibello Fish Hatchery for at least the 2004-06 biennium and to provide public access to the Montibello Fish Hatchery for six months each year.)

Natural Resources Subcommittee

Item 3-6.01 #3h

Adjustments and Modifications to Fees

Recordation Tax Fee

Language

Language:

Page 440, line 43, after "Virginia.", strike the remainder of the line.

Page 440, line 44, strike:

"introduced House Bill 30/Senate Bill 30 of the 2004 Session, revenue" and insert:

"Revenue".

Explanation:

(This amendment eliminates the language contained in this item that would have made the deposit of revenues into the Virginia Natural and Historic Resources Fund contingent upon the passage of the Governor's tax proposal.)

Natural Resources Subcommittee

Item 3-6.01 #4h

Adjustments and Modifications to Fees

Recordation Tax Fee

Language

Language:

Page 440, line 41, strike "A."

Page 440, line 43, after "Virginia.", strike the remainder of the line and insert:

"The revenue generated from such fee shall be deposited to the general fund."

Page 440, strike lines 44 through 47.

Page 441, strike lines 1 through 3.

Explanation:

(This amendment deletes language authorizing the deposit of revenues collected from a 10 dollar fee assessed on all deeds for which recordation taxes are collected and the admission of certificates of satisfactions to the proposed Virginia Natural and Historic Resources Fund. The purpose of this was to provide support to the Virginia Land Conservation Trust Fund and the Water Quality Improvement Fund. The amendment, however, ensures that the proceeds of this fee will continue to be deposited to the general fund as originally intended by the 2002 Session of the General Assembly.)

Natural Resources Subcommittee

Item 4-4.01 #2h

Capital Projects

General

Language

Language:

Page 457, after line 16, insert:

"o. Any new construction project developed by the Department of Conservation and Recreation, with an estimated cost of \$750,000 or less, shall be exempt from the capital outlay review and approval process."

Page 457, line 17, strike "o" and insert "p."

Page 457, line 23, strike "p." and insert "q."

Page 457, line 29, strike "q." and insert "r."

Page 457, line 31, strike "r." and insert "s."

Page 457, line 32, strike "s." and insert "t."

Page 457, line 39, strike "t." and insert "u."

Page 457, line 47, strike "u." and insert "v."

Page 457, line 52, strike "v." and insert "w."

Page 458, line 16, strike "w." and insert "x."
Page 458, line 23, strike "x." and insert "y."

Explanation:

(This amendment exempts capital projects under construction by the Department of Conservation and Recreation from the capital review and approval process managed by the Department of General Services' Bureau of Capital Outlay Management when those projects cost \$750,000 or less. The agency reports that nearly 60 percent of the projects authorized for construction using general obligation bond proceeds were valued at \$750,000 or less. The agency has stated that because these small projects must undergo the same process as multi-million dollar capital projects, review costs and DGS review fees greatly impact the scope of what the agency can build because those fees consume a larger portion of small projects' budgets.)

Natural Resources Subcommittee

Item 4-4.01 #3h

Capital Projects

General

Language

Language:

Page 454, after line 46, insert:

"f. It is the intent of the General Assembly that the Department of Conservation and Recreation shall be authorized to initiate and accept by gift or purchase with nongeneral fund dollars any lands for State Park or Natural Area purposes which may become available, and that are not specifically appropriated by the General Assembly, when such acquisitions are made in accordance with the provisions of this section and other applicable provisions of state law including approval by the Governor."

Page 454, line 47, strike "f." and insert "g."

Page 455, line 7, strike "g." and insert "h."

Page 455, line 16, strike "h." and insert "i."

Page 455, line 34, strike "i." and insert "j."

Page 455, line 54, strike "j." and insert "k."

Page 456, line 2, strike "k." and insert "l."

Page 456, line 10, strike "l." and insert "m."

Page 456, line 12, strike "m." and insert "n."

Page 456, line 37, strike "n." and insert "o."

Page 457, line 17, strike "o." and insert "p."

Page 457, line 23, strike "p." and insert "q."

Page 457, line 29, strike "q." and insert "r."

Page 457, line 31, strike "r." and insert "s."

Page 457, line 32, strike "s." and insert "t."

Page 457, line 39, strike "t." and insert "u."

Page 457, line 47, strike "u." and insert "v."

Page 457, line 52, strike "v." and insert "w."

Page 458, line 16, strike "w." and insert "x."

Page 458, line 23, strike "x." and insert "y."

Explanation:

(This amendment provides the Department of Conservation and Recreation with the authority to accept by gift or purchase any lands for State Parks or Natural Areas when such acquisitions are made with nongeneral fund dollars.)