

**Department of Planning and Budget**  
**2025 General Assembly Session**  
**State Fiscal Impact Statement**

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**ORIGINAL**

**Bill Number:** SB958

**Patron:** Stuart

**Bill Title:** Virginia Water Quality Improvement Fund; Virginia Natural Resources Commitment Fund.

**Bill Summary:** Directs the Director of the Department of Conservation and Recreation to establish a reserve fund within the Virginia Water Quality Improvement Fund (the Fund) to be used when annual general fund revenue collections do not exceed the official revenue estimates contained in the general appropriation act and requires 15 percent of any amounts appropriated to the Fund due to annual general fund revenue collections in excess of the official estimates contained in the general appropriation act to be withheld from appropriation and held in the reserve fund unless otherwise specified. The bill also allows, when certain funds distributed to the Virginia Agricultural Best Management Practices Cost-Share Program for the purpose of matching grants for agricultural best management practices cannot be obligated or are not used due to a canceled contract by a grant recipient, such funds to be reappropriated by the Virginia Soil and Water Conservation Board to any soil and water conservation district with pending contracts. Finally, the bill directs the Secretary of Natural and Historic Resources to (i) convene a work group to study the Virginia Natural Resources Commitment Fund and develop a plan to more equitably distribute the Virginia Agricultural Best Management Practices Cost-Share Program funds to achieve all of Virginia's water quality goals and (ii) report the work group's findings and recommendations to the Chairmen of the House Committees on Appropriations and Agriculture, Chesapeake and Natural Resources and the Senate Committees on Finance and Appropriations and Agriculture, Conservation and Natural Resources by November 1, 2026.

**Budget Amendment Necessary:** No.

**Items Impacted:** N/A.

**Explanation:** This bill involves the Department of Conservation and Recreation and the Secretary of Natural and Historic Resources; however, no budget amendment is necessary.

**Fiscal Summary:** No state fiscal impact.

**Fiscal Analysis:** This impact statement is preliminary. This bill codifies the Virginia Water Quality Improvement Reserve Fund, which is established in budget language in the appropriation act (Item 358, HB1600/SB800). The bill also codifies the current practice of the Virginia Soil and Water Conservation Board of reappropriating unobligated funds of Virginia Agricultural Best Management Practices Cost-Share Program under certain conditions.

Additionally, the bill requires the Secretary of Natural and Historic Resources to convene a work group to study and develop a plan for the Virginia Natural Resources Commitment Fund and to report on the findings by November 1, 2026. It is anticipated that this study and report can be absorbed within current resources.

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**Other:** HB2170 is the companion to this bill.