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

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Bill Number: HB2461 **Patron:** O'Quinn
Bill Title: Disaster Assistance Fund; established.

Bill Summary: Establishes the Disaster Assistance Fund for the purpose of addressing life, safety, and housing costs related to a disaster that are not covered by any form of federal assistance, private donations, or insurance. Expenditures and disbursements from the Fund require authorization by the General Assembly. In addition to all other appropriations to the Fund, the bill also directs proceeds generated from the Commonwealth's participation in the Regional Greenhouse Gas Initiative auction that occurred in December 2023 and deposited into the Regional Greenhouse Gas Initiative Fund with the Department of Environmental Quality and all interest accrued to such fund.

Budget Amendment Necessary: Yes. **Items Impacted: 102 (DHCD), 398 (VDEM).**

Explanation: This bill involves the Virginia Department of Emergency Management (VDEM) by establishing a Fund under the agency. Appropriation for the Fund is included in the introduced budget bill under the Department of Housing and Community Development (DHCD). A technical budget amendment is needed to shift the Fund to VDEM.

Fiscal Summary: A technical budget amendment is necessary to establish the Fund under VDEM. See fiscal analysis below.

Fiscal Analysis: This impact statement is preliminary. This bill creates the Disaster Assistance Fund within the state treasury to be administered by the Virginia Department of Emergency Management (VDEM). The provisions require that proceeds generated from the Commonwealth's participation in the Regional Greenhouse Gas Initiative auction that occurred in December 2023 and all interest accrued be transferred and deposited into the new Disaster Assistance Fund. As of November 2024, the amount totaled $102.3 million. The bill requires approval of the General Assembly prior to any expenditures or disbursements from the Fund.

HB1600/SB800 includes language establishing the Disaster Assistance Fund under DHCD. The language, like this bill, requires the transfer and deposit of the proceeds generated from the Commonwealth's participation in the Regional Greenhouse Gas Initiative auction that occurred in December 2023 to the Disaster Assistance Fund, and also requires approval of the General Assembly prior to any disbursement from the Fund. HB1600/SB800 also includes $25.0 million the first year from the general fund for deposit to the Fund.

To meet the provisions of this bill, the budget language and general fund appropriation included in HB1600/SB800 in Item 102 (DHCD) should be transferred to Item 398 (VDEM). As an alternative, this bill could be modified to be consistent with the budget.

Other: None.