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

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Bill Number: HB2059 **Patron:** Krizek

Bill Title: Virginia's Great Outdoors Act; land preservation distributions and appropriations.

Bill Summary: Provides that beginning July 1, 2026, (i) after required distributions for transportation and localities under current law, no less than \$200 million of the remaining recordation tax revenues shall be distributed for specified land protection and preservation purposes and (ii) no less than \$30 million of the proceeds of bonds issued by the Virginia Public Building Authority shall be made available for infrastructure improvements and other capital projects for state parks each year. The bill also repeals provisions requiring the Governor to include in the Budget Bill or in his amendments to the general appropriation act a recommended appropriation from the general fund, up to \$20 million, for land preservation.

Budget Amendment Necessary: No. Items Impacted: N/A.

Explanation:

This bill involves the Department of Conservation and Recreation (DCR), the Department of Wildlife Resources (DWR), the Department of Historic Resources (DHR), the Department of Forestry (DOF), the Department of Transportation (VDOT), the Department of Taxation (TAX), the Virginia Outdoors Foundation (VOF), and the Virginia Public Building Authority; however, the fund distribution provided for in the bill does not become effective until FY 2027. As such, no budget amendment is needed in the current biennium.

Fiscal Summary: No budget amendments are required in the current biennium. See Fiscal Analysis.

General Fund Expenditure Impact:

Agency	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
DCR	0	0	\$155M	\$155M	\$155M	\$155M
DHR	0	0	\$10M	\$10M	\$10M	\$10M
VOF	0	0	\$5M	\$5M	\$5M	\$5M
DOF	0	0	\$5M	\$5M	\$5M	\$5M
VDOT	0	0	\$25M	\$25M	\$25M	\$25M
TOTAL	0	0	\$200M	\$200M	\$200M	\$200M

^{*} Note that \$30M of DCR's \$155M allocation is spilt evenly among DWR, DOF, DCR-Div. of Natural Heritage, and the DCR-Div. of State Parks after passing through the VLCF program

Fiscal Analysis: This impact statement is preliminary. The bill would provide that, beginning July 1, 2026, at least \$200 million of state recordation tax revenue will be distributed as follows:

1. 15 percent to the Virginia Land Conservation Fund (DCR)

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- 2. 15 percent to the Virginia Land Conservation Fund, evenly split among the Department of Wildlife Resources, Department of Forestry, State Parks Division, and Natural Heritage Division.
- 3. 2.5 percent to the Virginia Outdoors Foundation for grants to increase safe open space access.
- 4. 2.5 percent to the Virginia Black, Indigenous, and People of Color Historic Preservation Fund (DHR)
- 5. 2.5 percent to the Virginia Battlefield Preservation Fund (DHR)
- 6. 2.5 percent to the Virginia Farmland and Forestland Preservation Fund (DOF)
- 7. 35 percent to the State Park Conservation Resources Fund (DCR)
- 8. 12.5 percent to the Department of Conservation and Recreation for a statewide trailsystem.
- 9. 12.5 percent to the Virginia Department of Transportation for regional multi-use trails.

According to the Department of Taxation, this bill would decrease the funds available for General Fund appropriation by an unknown amount, up to \$200 million from the remaining recordation tax revenues, beginning in FY 2027. In addition, the general fund revenues would increase by \$20 million each year as a result of the repeal of the allocation of the difference betweenthe CPI-U adjusted \$100 million maximum amount of land preservation tax credits from CY 2008 and the cap of \$75 million in current law.

Budget amendments will be required in future years to comply with the provisions of this bill. Actions in the Appropriation Act override the Code of Virginia. Currently, in FY 2026, the Appropriation Act includes a general fund appropriation of \$437,500 for the Virginia Farmland and Forestland Preservation Fund, \$16.0 million for the Virginia Land Conservation Fund, and \$5.25 million for the Virginia Battlefield Preservation Fund, in accordance with § 2.2-1509.4, Code of Virginia, which is repealed by this bill.

The bill states that distribution amounts may be utilized for expenses in distributing such funds by the authorized agencies only after approval from their respective Cabinet Secretary.

The bill also provides that no less than \$30 million of the proceeds of bonds issued by the Virginia Public Building Authority shall be made available for infrastructure improvements and other capital projects for state parks each year. Such authorization would also need to be provided in future budgets.

Finally, the bill repeals provisions requiring the Governor to include in the Budget Bill or in his amendments to the general appropriation act a recommended appropriation from the general fund, up to \$20 million, for land preservation.

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Other: None.