

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

---

**PUBLISHED: 1/28/2025 3:01 PM**

**ORIGINAL**

**Bill Number:** HB2233

**Patron:** Cousins

**Bill Title:** Extreme Weather Relief Act established.

**Bill Summary:** Establishes the Extreme Weather Relief Program, administered by the Department of Conservation and Recreation, for the purpose of holding parties responsible for covered greenhouse gas emissions between the covered period of January 1, 1995, and December 31, 2024, for the parties' share of the Commonwealth's costs due to climate change. The bill defines responsible parties as fossil fuel extractors or crude oil refiners causing emissions of one billion metric tons or more of covered greenhouse gases during the covered period. Under the bill, responsible parties are strictly liable for cost recovery payments to the Commonwealth. The bill requires the State Treasurer to conduct an assessment of the costs to the Commonwealth and its residents of the emissions of covered greenhouse gases during the covered period. The bill establishes the Extreme Weather Relief Fund into which the cost recovery payments from responsible entities are deposited and used to pay for extreme weather relief projects, as defined in the bill.

**Budget Amendment Necessary:** Yes.

**Items Impacted:** 359 (DCR)

**Explanation:** This bill involves the Department of Conservation and Recreation (DCR), the Department of Treasury, the Department of Environmental Quality, the Department of Energy, and the Department of Emergency Management. To capitalize the newly created Fund, a budget amendment is needed. Also, the bill requires the State Treasurer to conduct a cost assessment.

**Fiscal Summary:** This bill establishes the Extreme Weather Relief Fund to be administered by DCR. The Fund shall consist of cost recovery payments purpose of holding parties responsible for covered greenhouse gas emissions between the covered period of January 1, 1995, and December 31, 2024, for the parties' share of the Commonwealth's costs due to climate change. Until such payments are received, the Fund will not be capitalized unless another source of funding is provided.

**Fiscal Analysis:** This impact statement is preliminary. The bill creates the Extreme Weather Relief Program and Fund, to be administered by DCR in consultation with the Department of Environmental Quality (DEQ), the Department of Energy (Energy), and the Department of Emergency Management (VDEM). The bill authorizes the use of the Fund for administrative costs associated with the program. The Fund shall consist of cost recovery payments for the purpose of holding parties responsible for covered greenhouse gas emissions, and all other funds appropriated to the Fund. Until such time that payments are received, the Fund will not be capitalized unless another source of funding is provided. Revenue from such payments is indeterminate. DCR cannot absorb the duties of this bill without support from the Fund. VDEM anticipates any impact can be absorbed within current resources. Comments from Energy and DEQ have not been received.

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

---

The bill requires the State Treasurer to conduct an assessment of the costs to the Commonwealth and its residents of the emissions of covered greenhouse gases during the covered period. According to the Department of Treasury, a consultant would be required to complete this assessment. The Department looked to other states to estimate a cost. The state of Vermont budgeted \$300,000 for such a study; however, Virginia is larger than Vermont with a bigger and more diverse business base. As such, Treasury believes a cost of \$1.0 million to be a more accurate estimate; however, the true cost is indeterminate. The way the bill is written, it is unclear if the assessment could be charged to the Fund.

**Other:** SB1123 is the companion to this bill.