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

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Bill Number: SB923S1 **Patron:** Stuart
Bill Title: Virginia Water Protection Permit; interbasin transfers of water prohibited.

Bill Summary: Prohibits the Department of Environmental Quality from issuing a Virginia Water Protection Permit for a surface water withdrawal if more than five percent of the nonconsumptive volume of such withdrawal will be returned to a different major river basin, as defined in the bill. The bill clarifies that such prohibition does not apply to any lawful withdrawal in existence on July 1, 2025. Requires DEQ to form a work group to develop recommendations for criteria such permits. The work group is to include representatives from various sectors and report its findings by December 1, 2026. The provisions of the act will expire on January 1, 2027.

Budget Amendment Necessary: **Yes.** **Items Impacted:** **363 (DEQ)**
Explanation: This bill involves the Department of Environmental Quality (DEQ). An amendment is required for the agency to carry out the requirements of this bill.

Fiscal Summary: The one-time general fund impact to DEQ is estimated at $150,000 related to the required study and workgroup. See "Fiscal Analysis," below.

General Fund Expenditure Impact:

Agency	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
DEQ	$0	$150,000	$0	$0	$0	$0
TOTAL	**$0**	**$150,000**	**$0**	**$0**	**$0**	**$0**

Fiscal Analysis: This impact statement is preliminary. DEQ anticipates a nonabsorbable general fund expenditure impact due to the proposed bill. Based on prior experience, DEQ expects the need for a third-party facilitator to manage the work group, considering the subject matter and the sensitivities of stakeholders. The estimated cost for this service is $50,000. Additionally, to inform the report, DEQ plans to conduct a groundwater study, estimated to cost $100,000, based on the costs of two recent similar studies: a 2024 groundwater supply study and the North of Fredericksburg Groundwater study.

Other: None.