

Commission on Local Government

Estimate of Local Fiscal Impact

2026 General Assembly Session | 02/6/26

In accordance with the provisions of 30-19.03 of the Code of Virginia, the staff of the Commission on Local Government offers the following analysis of legislation impacting local governments.

SB386: Distribution of sewage sludge; perfluoroalkyl and polyfluoroalkyl substances testing requirements; civil penalty (Patron: Stuart)

Bill Summary: Prohibits any person that holds a valid Virginia Pollutant Abatement permit to distribute or land apply sewage sludge in the Commonwealth from distributing or land applying sewage sludge that contains any trace of PFAS, as defined in the bill. The bill (i) requires such person to, prior to the distribution or land application of sewage sludge, submit to the owner or lessee of the site where the sewage sludge is to be land applied a written statement affirming that such sewage sludge contains no trace of PFAS and (ii) subjects such person to a civil penalty not to exceed \$5,000 for violating the provisions of the bill. The bill exempts any person engaged in an agricultural operation, as defined in the bill, and land applying sewage sludge on lands used for such agricultural operation.

Local Fiscal Impact: **Net Additional Expenditure:** x **Net Reduction of Revenues:**

Summary Analysis:

Number of Localities Responding: 6 Cities, 8 Counties, 1 Town, 1 Other

Localities estimated a negative fiscal impact as 150,000 to 8,000,000 over the biennium.

Localities identified the bill’s fiscal impact as significant and primarily related to recurring operations costs. With the bill's prohibition on agricultural land applying biosolids containing perfluoroalkyl and polyfluoroalkyl substances (PFAS), localities estimate increased operational costs related to alternative disposal methods of the biosolids. Localities estimate increased operational costs due to pass-throughs from wastewater treatment plant, landfill contracts, or incinerator construction to dispose of biosolids. Localities expressed logistical concerns about landfills' ability and willingness to accept biosolids containing PFAS, and that increased landfill demand resulting from the bill, with limited supply, could significantly raise costs not currently estimated.

Net Increase in Expenditures: Itemized Estimates by Responding Localities

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Net Increase in Expenditures: Itemized Estimates by Responding Localities

| Locality | Nonrecurring Expense - Operating | | Nonrecurring Expense - Capital | | Nonrecurring Expense - Other | | Total Increase in Expenses (Biennium Total) | Response Totals |
|------------------------|----------------------------------|------|--------------------------------|------|------------------------------|------|--|-----------------|
| | FY27 | FY28 | FY27 | FY28 | FY27 | FY28 | | |
| Albemarle County | | | | | | | 260,000 | Cities: 6 |
| Chesterfield County | | | | | | | 8,000,000 | Counties: 8 |
| City of Alexandria | | | | | | | 0 | Towns: 1 |
| City of Manassas | | | | | | | 150,000 | Other: 1 |
| City of Norfolk | | | | | | | 0 | Total: 16 |
| City of Virginia Beach | | | | | | | 0 | |
| City of Winchester | | | | | | | 2,000,000 | |
| Hanover County | | | | | | | 1,600,000 | |
| Madison County | | | | | | | 0 | |
| Mecklenburg County | | | | | | | 0 | |
| Northern Neck PDC | | | | | | | 0 | |
| Prince George County | | | | | | | 0 | |
| Pulaski County | | | | | | 0 | 0 | |
| Rappahannock County | | | | | | | 0 | |
| Town of Chincoteague | | | | | | | 0 | |
| City of Richmond | | | | | | | 1,566,950 | |
| | | | | | | | 0 | |
| | | | | | | | 0 | |
| | | | | | | | 0 | |
| | | | | | | | 0 | |
| | | | | | | | 0 | |

| Locality | Expenditure Narrative by Responding Localities |
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| Albemarle County | <p>While most provisions in this bill are optional, if Albemarle County chose to participate, the bill would increase operational demands on the County related to oversight, coordination, complaint response, training, and ordinance administration, particularly due to the PFAS prohibition and expanded notification and inspection regime. While most direct costs are reimbursable, the County would still incur upfront expenditures, administrative overhead, and some non-reimbursable staff time. Capital costs are modest and largely limited to equipment and training-related needs.</p> |
| Chesterfield County | <p>Chesterfield currently generates approximately 32,000 wet tons of biosolids annually from its two treatment plants. If land application were prohibited, the county would be required to dispose of this material in a landfill. Chesterfield's current biosolids hauling contract has an allowance for landfilling, approximately \$125 per wet ton, that, if applied to the total volume produced, would cost an estimated \$4 million per year, representing approximately 18% increase in current operating costs. It's worth noting, however, that this contract allowance was never intended for landfilling the total amount of biosolids produced by Chesterfield, and a new contract would likely be required should this bill come to pass. Securing a landfill willing to accept biosolids presents a significant logistical challenge, as landfill leachate is known to contain PFAS and they are increasingly struggling to find wastewater treatment plants that will accept their leachate.</p> <p>It is also important to note that this estimate reflects a best-case scenario; given the potential statewide demand for landfill capacity, it is highly likely that suitable disposal options may not be available at any price. Where landfills will accept this product, prices are likely to increase as demand for this service far exceeds supply.</p> |
| City of Alexandria | <p>While the City of Alexandria does not provide public utilities, sewage and wastewater services are provided by Alexnew who would be significantly impacted by this legislation's requirements. There would be a potential impact of upwards of \$5M on residential and commercial monthly wastewater bills in the City of Alexandria through the rates charge by AlexRenew.</p> |
| City of Manassas | <p>Narrow definition of trace will potentially require alternative disposal of sludge resulting in increased operations costs.</p> |
| City of Norfolk | <p>The City of Norfolk does not directly own a sewage treatment works; however, the city does partner with a regional sewage treatment entity that uses the city's sludge as fertilizer. An increased cost to this partner will pass on to the city in the form of increased ongoing wastewater treatment rates.</p> |

| Locality | Expenditure Narrative by Responding Localities |
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| City of Virginia Beach | Sewage sludge is a byproduct of wastewater treatment, and the City Public Utilities role is limited to conveying sanitary sewage to Hampton Roads Sanitation District (HRSD) for treatment. HRSD is responsible for wastewater treatment, sludge management, and any distribution or land application activities. As such, sewage sludge is not distributed by Public Utilities, either for agricultural or non-agricultural purposes. Any PFAS testing, certification, tracking, or enforcement requirements established by this bill would therefore fall on HRSD or other permitted entities, not Public Utilities. This bill may have financial or operational impacts on HRSD, but it is not anticipated to create new costs or personnel workload impacts for Public Utilities as written. |
| City of Winchester | This bill would be costly for the operation of the OWRF as it would prohibit land applying the solids generated because the solids do have trace amounts of PFAS. It could easily cost well over \$1 million in additional funds annually to find an acceptable location to dispose of solids. |
| Hanover County | Hanover doesn't land apply sludge, but as sludge disposal regulations make it more difficult to land apply, overall landfill disposal costs are expected to increase as a result. Tipping fees will likely increase under that scenario. The expenditure impact is difficult to estimate. We estimated based on doubling tipping fees from fiscal year 2025 expenditures. |
| Madison County | At this time, we cannot estimate recurring or one-time expenditures as we were just made aware of the fact that our landfill accepts sewage sludge. We do not sell the sludge so would not be responsible making the certification and incurring the testing costs to make the certification. |
| Mecklenburg County | |
| Northern Neck PDC | The PDC is not a regulatory body and this legislation has no fiscal impact on the PDC. |
| Prince George County | We do not anticipate that this law, if approved, would result in a volume of compliance actions that would have a fiscal impact. |
| Pulaski County | |
| Rappahannock County | |
| Town of Chincoteague | |
| City of Richmond | SB386 effectively prohibits land application of biosolids. Trace amounts of PFAS exist in biosolids, and so public utilities for the City would face an estimated annual cost increase of \$783,475 for biosolids disposal using incineration as an alternative. This represents a 207% increase in biosolids disposal costs. Over five years, assuming conservative 3% annual cost escalation, the total fiscal impact would be an increase of \$4 million. Additional on-going PFAS testing requirements and contract modifications would occur. These increased costs would ultimately be borne by Richmond wastewater ratepayers through necessary rate adjustments. |
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| Locality | Expenditure Narrative by Responding Localities |
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