Department of Planning and Budget
2026 General Assembly Session
State Fiscal Impact Statement

PUBLISHED: 2/8/2026 3:47 PM **ORIGINAL**

Bill Number: HB501 **Patron:** McAuliff
Bill Title: Study; Department of Environmental Quality; groundwater supply in western Loudoun and Fauquier Counties; report.

Bill Summary: Directs the Department of Environmental Quality (DEQ) to study the threats and challenges to the groundwater supply in western Loudoun and Fauquier Counties, to complete its meetings by November 30, 2026, and to report its findings and recommendations to the Chairs of the House Committee on Agriculture, Chesapeake and Natural Resources and the Senate Committee on Agriculture, Conservation and Natural Resources no later than December 31, 2026.

Budget Amendment Necessary: **Yes** **Items Impacted:** **366 (DEQ)**
Explanation: This bill involves the DEQ and state agencies upon request. A general fund budget amendment is required to implement the provisions of the bill.

Fiscal Summary: It is anticipated that DEQ will require an additional general fund appropriation of $200,000 over two fiscal years under Item 363, HB30/SB30, to implement this bill.

General Fund Expenditure Impact:

Agency	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031
440 (DEQ)		$200,000				
TOTAL		**$200,000**				

Fiscal Analysis: This fiscal impact estimate is preliminary. The bill assigns DEQ responsibility for conducting a groundwater study in western Loudoun County and Fauquier County and for submitting a report with findings and recommendations by December 31, 2026. DEQ indicates that completion of the study will require additional general fund resources in FY 2027 to support staff time for data collection and review, analysis of groundwater conditions and projections, coordination with other Commonwealth agencies, meetings associated with the study, and preparation of the required report. Based on DEQ's experience with a prior, comparable groundwater study, the cost of completing the requirements of this bill is estimated at approximately $200,000 and is not absorbable within existing resources.

If the results of the study support establishment of a groundwater management area, DEQ indicates that future implementation could require additional staffing and resources.

Other: None.