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

PUBLISHED: 3/3/2026 4:21 PM **ORIGINAL**

Bill Number: HB1011S1 **Patron:** Tran
Bill Title: Compost and other products containing organic soil amendments infrastructure; Department of Environmental Quality tax policy options for reforming the litter tax study expanded; civil penalty.

Bill Summary: **A**uthorizes local governing bodies, in the case of a tie bid for compost or other products containing organic soil amendments, to give preference to products produced in or provided by businesses with a principal place of business in the locality. The bill authorizes localities to require, by ordinance, certain generators of organic waste to separate and divert such waste from final disposal and to establish civil penalties for violations. The bill also states the intent of the General Assembly that new public school buildings and renovations include waste disposal infrastructure for trash, recyclables, food scraps, and liquid waste.

Budget Amendment Necessary: **Yes** **Items Impacted:** **367**
Explanation: This bill involves local school divisions and localities. No budget action is required. See Fiscal Analysis section, below.

Fiscal Summary: It is anticipated that this bill will result in an indeterminate fiscal impact to local school divisions.

Fiscal Analysis: This estimate is preliminary. The bill has no direct fiscal impact on state agencies.

Any impact to local school divisions related to developing waste disposal infrastructure in response to a requirement from a locality or as part of a new building or renovation of existing facilities is indeterminate at this time.

The bill allows localities to adopt ordinances requiring certain generators to separate and divert organic waste. If adopted, such ordinances may generate new local revenue from civil penalties ranging from $250 to $1,000 per violation, payable to the locality.

Other: None.