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SENATE BILL NO. 1416

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Senate Committee on Finance
on February 1, 2001)

(Patron Prior to Substitute—Senator Marye)

A BILL to amend the Code of Virginia by adding a section numbered 36-139.8, relating to grants and loans to localities for alternative water supply assistance.

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding a section numbered 36-139.8 as follows:

§ 36-139.8. Loans or grants for alternative water supply assistance.

For purposes of this section:

"Fund" means the Alternative Water Supply Assistance Fund.

A. The Department shall provide grants and loans to localities to be used for entering into agreements with businesses and individuals to harvest and collect rainwater for such uses as determined necessary by the locality, including, but not limited to, irrigation and conservation. Such grants and loans shall be made from funds in the Fund. The Department shall administer the Fund and shall have the following powers and duties:

1. To establish a process for determining what areas and localities shall qualify for grants and loans. Such process shall include the minimum criteria for the awarding of a grant or loan and such criteria shall take into account, but not be limited to, the purposes for which the locality deems it necessary to harvest and collect rainwater, an area's or locality's hydrology and geologic conditions, population density, average annual rainfall, average water consumption rates, current and projected water needs for residential and commercial use, and capacity of local public and private sector entities to provide and maintain affordable and dependable sources of water;

2. To monitor the operation of the Fund;

3. To review the use of grant and loan moneys to establish that such moneys are being used consistent with the provisions of this section and with the purposes for which the locality deems it necessary to harvest and collect rainwater;

4. To assist planning district commissions, water and public service authorities, counties, cities and towns in making application for grants and loans from the Fund;

5. To develop policies and provisions for the repayment of any grants or loans made under this section, including the immediate repayment of a grant or loan when the proceeds of such grant or loan are not being used for the purposes described in this section. Such policies and procedures shall be approved by the comptroller; and

6. To administer and enforce the regulations promulgated by the Board to carry out the provisions of this section.

B. Moneys from the Fund disbursed to a locality may not be used for agreements with businesses or individuals to construct or maintain gutters, downspouts, and other rainwater systems that are primarily designed for directing or diverting rainwater run-off and not for harvesting and collecting rainwater for reuse.

C. Loans from the Fund shall be approved by the Governor and made in accordance with procedures established by the Department and approved by the comptroller. Loans shall be interest-free unless otherwise determined by the Governor and payments of principal and any interest on such loans shall be deposited into the Fund. The Governor may establish an interest rate to be charged on such loans which shall not exceed the market rate of interest as determined by the State Treasurer.

D. There is hereby established the Alternative Water Supply Assistance Fund to be administered by the Department to provide grants and loans to localities to be used for entering into agreements with businesses and individuals to harvest and collect rainwater for such uses as determined necessary by the locality, including, but not limited to, irrigation and conservation. The Fund shall consist of such funds as may be appropriated by the General Assembly from time to time. The Fund shall be established on the books of the comptroller, and any funds, including interest, remaining in the Fund at the end of a fiscal year or a biennium shall not revert to the general fund but shall remain in the Fund. Interest earned on the Fund shall be credited to the Fund.

2. That the Board of Housing and Community Development shall promulgate regulations, in accordance with the Administrative Process Act (§ 9-6.14:1 et seq.), for purposes of carrying out the provisions of this Act.

SENATE SUBSTITUTE

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