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SENATE BILL NO. 1089

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the House Committee on Appropriations
on February 21, 2005)

(Patron Prior to Substitute—Senator Watkins)

A BILL to amend and reenact §§ 10.1-1309, 10.1-1316, 10.1-1455, 62.1-44.14, 62.1-44.15, 62.1-44.32, and 62.1-44.34:20 of the Code of Virginia, relating to environmental enforcement; civil penalties.

Be it enacted by the General Assembly of Virginia:

1. That §§ 10.1-1309, 10.1-1316, 10.1-1455, 62.1-44.14, 62.1-44.15, 62.1-44.32, and 62.1-44.34:20 of the Code of Virginia are amended and reenacted as follows:

§ 10.1-1309. Issuance of special orders; civil penalties.

A. The Board shall have the power to issue special orders to:

(i) owners who are permitting or causing air pollution as defined by § 10.1-1300, to cease and desist from such pollution;

(ii) owners who have failed to construct facilities in accordance with or have failed to comply with plans for the control of air pollution submitted by them to and approved by the Board, to construct such facilities in accordance with or otherwise comply with, such approved plans;

(iii) owners who have violated or failed to comply with the terms and provisions of any Board order or directive to comply with such terms and provisions;

(iv) owners who have contravened duly adopted and promulgated air quality standards and policies, to cease such contravention and to comply with air quality standards and policies; and

(v) require any owner to comply with the provisions of this chapter and any Board decision; and

(vi) require any person to pay civil penalties of up to \$32,500 for each violation, not to exceed \$100,000 per order, if (a) the person has been issued at least two written notices of alleged violation by the Department for the same or substantially related violations at the same site, (b) such violations have not been resolved by demonstration that there was no violation, by an order issued by the Board or the Director, or by other means, (c) at least 130 days have passed since the issuance of the first notice of alleged violation, and (d) there is a finding that such violations have occurred after a hearing conducted in accordance with subsection B. The actual amount of any penalty assessed shall be based upon the severity of the violations, the extent of any potential or actual environmental harm, the compliance history of the facility or person, any economic benefit realized from the noncompliance, and the ability of the person to pay the penalty. The Board shall provide the person with the calculation for the proposed penalty prior to any hearing conducted for the issuance of an order that assesses penalties pursuant to this subsection. Penalties shall be paid to the state treasury and deposited by the State Treasurer into the Virginia Environmental Emergency Response Fund (§ 10.1-2500 et seq.). The issuance of a notice of alleged violation by the Department shall not be considered a case decision as defined in § 2.2-4001. Any notice of alleged violation shall include a description of each violation, the specific provision of law violated, and information on the process for obtaining a final decision or fact finding from the Department on whether or not a violation has occurred, and nothing in this section shall preclude an owner from seeking such a determination.

B. Such special orders are to be issued only after a hearing before a hearing officer appointed by the Supreme Court in accordance with § 2.2-4020 with reasonable notice to the affected owners of the time, place and purpose thereof, and they shall become effective not less than five days after service as provided in subsection C below. Should the Board find that any such owner is unreasonably affecting the public health, safety or welfare, or the health of animal or plant life, or property, after a reasonable attempt to give notice, it shall declare a state of emergency and may issue without hearing an emergency special order directing the owner to cease such pollution immediately, and shall within ten 10 days hold a hearing, after reasonable notice as to the time and place thereof to the owner, to affirm, modify, amend or cancel such emergency special order. If the Board finds that an owner who has been issued a special order or an emergency special order is not complying with the terms thereof, it may proceed in accordance with § 10.1-1316 or § 10.1-1320.

C. Any special order issued under the provisions of this section need not be filed with the Secretary of the Commonwealth, but the owner to whom such special order is directed shall be notified by certified mail, return receipt requested, sent to the last known address of such owner, or by personal delivery by an agent of the Board, and the time limits specified shall be counted from the date of receipt.

D. Nothing in this section or in § 10.1-1307 shall limit the Board's authority to proceed against such owner directly under § 10.1-1316 or § 10.1-1320 without the prior issuance of an order, special or otherwise.

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§ 10.1-1316. Enforcement and civil penalties.

A. Any owner violating or failing, neglecting or refusing to obey any provision of this chapter, any Board regulation or order, or any permit condition may be compelled to comply by injunction, mandamus or other appropriate remedy.

B. Without limiting the remedies which may be obtained under subsection A, any owner violating or failing, neglecting or refusing to obey any Board regulation or order, any provision of this chapter, or any permit condition shall be subject, in the discretion of the court, to a civil penalty not to exceed ~~\$25,000~~ \$32,500 for each violation. Each day of violation shall constitute a separate offense. In determining the amount of any civil penalty to be assessed pursuant to this subsection, the court shall consider, in addition to such other factors as it may deem appropriate, the size of the owner's business, the severity of the economic impact of the penalty on the business, and the seriousness of the violation. Such civil penalties shall be paid into the state treasury and deposited by the State Treasurer into the Virginia Environmental Emergency Response Fund pursuant to Chapter 25 (§ 10.1-2500 et seq.) of this title. Such civil penalties may, in the discretion of the court assessing them, be directed to be paid into the treasury of the county, city or town in which the violation occurred, to be used to abate environmental pollution in such manner as the court may, by order, direct, except that where the owner in violation is the county, city or town itself, or its agent, the court shall direct the penalty to be paid into the state treasury and deposited by the State Treasurer into the Virginia Environmental Emergency Response Fund pursuant to Chapter 25 of this title.

C. With the consent of an owner who has violated or failed, neglected or refused to obey any Board regulation or order, or any provision of this chapter, or any permit condition, the Board may provide, in any order issued by the Board against the owner, for the payment of civil charges in specific sums, not to exceed the limit of subsection B. Such civil charges shall be in lieu of any civil penalty which could be imposed under subsection B. Such civil charges shall be paid into the state treasury and deposited by the State Treasurer into the Virginia Environmental Emergency Response Fund pursuant to Chapter 25 of this title.

D. The Board shall develop and provide an opportunity for public comment on guidelines and procedures that contain specific criteria for calculating the appropriate penalty for each violation based upon the severity of the violations, the extent of any potential or actual environmental harm, the compliance history of the facility or person, any economic benefit realized from the noncompliance, and the ability of the person to pay the penalty.

§ 10.1-1455. Penalties and enforcement.

A. Any person who violates any provision of this chapter, any condition of a permit or certification, or any regulation or order of the Board shall, upon such finding by an appropriate circuit court, be assessed a civil penalty of not more than ~~\$25,000~~ \$32,500 for each day of such violation. All civil penalties under this section shall be recovered in a civil action brought by the Attorney General in the name of the Commonwealth. Such civil penalties shall be paid into the state treasury and deposited by the State Treasurer into the Virginia Environmental Emergency Response Fund pursuant to Chapter 25 (§ 10.1-2500 et seq.) of this title.

B. In addition to the penalties provided above, any person who knowingly transports any hazardous waste to an unpermitted facility; who knowingly transports, treats, stores, or disposes of hazardous waste without a permit or in violation of a permit; or who knowingly makes any false statement or representation in any application, disclosure statement, label, manifest, record, report, permit, or other document filed, maintained, or used for purposes of hazardous waste program compliance shall be guilty of a felony punishable by a term of imprisonment of not less than one year nor more than five years and a fine of not more than ~~\$25,000~~ \$32,500 for each violation, either or both. The provisions of this subsection shall be deemed to constitute a lesser included offense of the violation set forth under subsection I.

Each day of violation of each requirement shall constitute a separate offense.

C. The Board is authorized to issue orders to require any person to comply with the provisions of any law administered by the Board, the Director or the Department, any condition of a permit or certification, or any regulations promulgated by the Board or to comply with any case decision, as defined in § 2.2-4001, of the Board or Director. Any such order shall be issued only after a hearing in accordance with § 2.2-4020 with at least ~~thirty~~ 30 days' notice to the affected person of the time, place and purpose thereof. Such order shall become effective not less than ~~fifteen~~ 15 days after mailing a copy thereof by certified mail to the last known address of such person. The provisions of this section shall not affect the authority of the Board to issue separate orders and regulations to meet any emergency as provided in § 10.1-1402.

D. Any person willfully violating or refusing, failing or neglecting to comply with any regulation or order of the Board or the Director, any condition of a permit or certification or any provision of this chapter shall be guilty of a Class 1 misdemeanor unless a different penalty is specified.

Any person violating or failing, neglecting, or refusing to obey any lawful regulation or order of the

Board or the Director, any condition of a permit or certification or any provision of this chapter may be compelled in a proceeding instituted in an appropriate court by the Board or the Director to obey such regulation, permit, certification, order or provision of this chapter and to comply therewith by injunction, mandamus, or other appropriate remedy.

E. Without limiting the remedies which may be obtained in this section, any person violating or failing, neglecting or refusing to obey any injunction, mandamus or other remedy obtained pursuant to this section shall be subject, in the discretion of the court, to a civil penalty not to exceed ~~\$25,000~~ \$32,500 for each violation. Such civil penalties shall be paid into the state treasury and deposited by the State Treasurer into the Virginia Environmental Emergency Response Fund pursuant to Chapter 25 of this title. Each day of violation of each requirement shall constitute a separate offense. Such civil penalties may, in the discretion of the court assessing them, be directed to be paid into the treasury of the county, city or town in which the violation occurred, to be used to abate environmental pollution in such manner as the court may, by order, direct, except that where the owner in violation is the county, city or town itself, or its agent, the court shall direct the penalty to be paid into the state treasury and deposited by the State Treasurer into the Virginia Environmental Emergency Response Fund pursuant to Chapter 25 of this title.

F. With the consent of any person who has violated or failed, neglected or refused to obey any regulation or order of the Board or the Director, any condition of a permit or any provision of this chapter, the Board may provide, in an order issued by the Board against such person, for the payment of civil charges for past violations in specific sums, not to exceed the limits specified in this section. Such civil charges shall be instead of any appropriate civil penalty which could be imposed under this section. Such civil charges shall be paid into the state treasury and deposited by the State Treasurer into the Virginia Environmental Emergency Response Fund pursuant to Chapter 25 of this title.

G. In addition to all other available remedies, the Board may issue administrative orders for the violation of (i) any law or regulation administered by the Board; (ii) any condition of a permit or certificate issued pursuant to this chapter; or (iii) any case decision or order of the Board. Issuance of an administrative order shall be a case decision as defined in § 2.2-4001 *and shall be issued only after a hearing before a hearing officer appointed by the Supreme Court in accordance with § 2.2-4020.* Orders issued pursuant to this subsection may include civil penalties of up to ~~\$25,000~~ \$32,500 per violation *not to exceed \$100,000 per order*, and may compel the taking of corrective actions or the cessation of any activity upon which the order is based. *The Board may assess penalties under this subsection if (a) the person has been issued at least two written notices of alleged violation by the Department for the same or substantially related violations at the same site, (b) such violations have not been resolved by demonstration that there was no violation, by an order issued by the Board or the Director, or by other means, (c) at least 130 days have passed since the issuance of the first notice of alleged violation, and (d) there is a finding that such violations have occurred after a hearing conducted in accordance with this subsection. The actual amount of any penalty assessed shall be based upon the severity of the violations, the extent of any potential or actual environmental harm, the compliance history of the facility or person, any economic benefit realized from the noncompliance, and the ability of the person to pay the penalty. The Board shall provide the person with the calculation for the proposed penalty prior to any hearing conducted for the issuance of an order that assesses penalties pursuant to this subsection. Penalties shall be paid to the state treasury and deposited by the State Treasurer into the Virginia Environmental Emergency Response Fund (§ 10.1-2500 et seq.). The issuance of a notice of alleged violation by the Department shall not be considered a case decision as defined in § 2.2-4001. Any notice of alleged violation shall include a description of each violation, the specific provision of law violated, and information on the process for obtaining a final decision or fact finding from the Department on whether or not a violation has occurred, and nothing in this section shall preclude an owner from seeking such a determination.* Orders issued pursuant to this subsection shall become effective five days after having been delivered to the affected persons or mailed by certified mail to the last known address of such persons. Should the Board find that any person is adversely affecting the public health, safety or welfare, or the environment, the Board shall, after a reasonable attempt to give notice, issue, without a hearing, an emergency administrative order directing the person to cease the activity immediately and undertake any needed corrective action, and shall within ~~ten~~ 10 days hold a hearing, after reasonable notice as to the time and place thereof to the person, to affirm, modify, amend or cancel the emergency administrative order. If the Board finds that a person who has been issued an administrative order or an emergency administrative order is not complying with the order's terms, the Board may utilize the enforcement and penalty provisions of this article to secure compliance.

H. In addition to all other available remedies, the Department and generators of recycling residues shall have standing to seek enforcement by injunction of conditions which are specified by applicants in order to receive the priority treatment of their permit applications pursuant to § 10.1-1408.1.

I. Any person who knowingly transports, treats, stores, disposes of, or exports any hazardous waste

183 in violation of this chapter or in violation of the regulations promulgated by the Board and who knows
184 at the time that he thereby places another person in imminent danger of death or serious bodily injury,
185 shall, upon conviction, be guilty of a felony punishable by a term of imprisonment of not less than two
186 years nor more than ~~fifteen~~ 15 years and a fine of not more than \$250,000, either or both. A defendant
187 that is not an individual shall, upon conviction of violating this section, be subject to a fine not
188 exceeding the greater of ~~one~~ \$1 million dollars or an amount that is three times the economic benefit
189 realized by the defendant as a result of the offense. The maximum penalty shall be doubled with respect
190 to both fine and imprisonment for any subsequent conviction of the same person.

191 J. Criminal prosecutions under this chapter shall be commenced within three years after discovery of
192 the offense, notwithstanding the provisions of any other statute.

193 K. The Board shall be entitled to an award of reasonable attorneys' fees and costs in any action
194 brought by the Board under this section in which it substantially prevails on the merits of the case,
195 unless special circumstances would make an award unjust.

196 *L. The Board shall develop and provide an opportunity for public comment on guidelines and*
197 *procedures that contain specific criteria for calculating the appropriate penalty for each violation based*
198 *upon the severity of the violations, the extent of any potential or actual environmental harm, the*
199 *compliance history of the facility or person, any economic benefit realized from the noncompliance, and*
200 *the ability of the person to pay the penalty.*

201 § 62.1-44.14. Chairman; Executive Director; employment of personnel; supervision; budget
202 preparation.

203 The Board shall elect its chairman, and the Executive Director shall be appointed as set forth in
204 § 2.2-106. The Executive Director shall serve as executive officer and devote his whole time to the
205 performance of his duties, and he shall have such administrative powers as are conferred upon him by
206 the Board; and, further, the Board may delegate to its Executive Director any of the powers and duties
207 invested in it by this chapter except the adoption and promulgation of standards, rules and regulations;
208 ~~and the revocation of certificates; and the issuance, modification, or revocation of orders.~~ The Executive
209 Director is authorized to issue, modify or revoke orders in cases of emergency as described in
210 § 62.1-44.15 (8b) and § 62.1-44.34:20 of this chapter. The Executive Director is further authorized to
211 employ such consultants and full-time technical and clerical workers as are necessary and within the
212 available funds to carry out the purposes of this chapter.

213 It shall be the duty of the Executive Director to exercise general supervision and control over the
214 quality and management of all state waters and to administer and enforce this chapter, and all
215 certificates, standards, policies, rules, regulations, rulings and special orders promulgated by the Board.
216 The Executive Director shall prepare, approve, and submit all requests for appropriations and be
217 responsible for all expenditures pursuant to appropriations.

218 § 62.1-44.15. Powers and duties; civil penalties.

219 It shall be the duty of the Board and it shall have the authority:

220 (1) [Repealed.]

221 (2) To study and investigate all problems concerned with the quality of state waters and to make
222 reports and recommendations.

223 (2a) To study and investigate methods, procedures, devices, appliances, and technologies that could
224 assist in water conservation or water consumption reduction.

225 (2b) To coordinate its efforts toward water conservation with other persons or groups, within or
226 without the Commonwealth.

227 (2c) To make reports concerning, and formulate recommendations based upon, any such water
228 conservation studies to ensure that present and future water needs of the citizens of the Commonwealth
229 are met.

230 (3a) To establish such standards of quality and policies for any state waters consistent with the
231 general policy set forth in this chapter, and to modify, amend or cancel any such standards or policies
232 established and to take all appropriate steps to prevent quality alteration contrary to the public interest or
233 to standards or policies thus established, except that a description of provisions of any proposed standard
234 or policy adopted by regulation which are more restrictive than applicable federal requirements, together
235 with the reason why the more restrictive provisions are needed, shall be provided to the standing
236 committee of each house of the General Assembly to which matters relating to the content of the
237 standard or policy are most properly referable. The Board shall, from time to time, but at least once
238 every three years, hold public hearings pursuant to subsection B of § 2.2-4007 but, upon the request of
239 an affected person or upon its own motion, hold hearings pursuant to § 2.2-4009, for the purpose of
240 reviewing the standards of quality, and, as appropriate, adopting, modifying, or canceling such standards.
241 Whenever the Board considers the adoption, modification, amendment or cancellation of any standard, it
242 shall give due consideration to, among other factors, the economic and social costs and benefits which
243 can reasonably be expected to obtain as a consequence of the standards as adopted, modified, amended
244 or cancelled. The Board shall also give due consideration to the public health standards issued by the

Virginia Department of Health with respect to issues of public health policy and protection. If the Board does not follow the public health standards of the Virginia Department of Health, the Board's reason for any deviation shall be made in writing and published for any and all concerned parties.

(3b) Except as provided in subdivision (3a), such standards and policies are to be adopted or modified, amended or cancelled in the manner provided by the Administrative Process Act (§ 2.2-4000 et seq.).

(4) To conduct or have conducted scientific experiments, investigations, studies, and research to discover methods for maintaining water quality consistent with the purposes of this chapter. To this end the Board may cooperate with any public or private agency in the conduct of such experiments, investigations and research and may receive in behalf of the Commonwealth any moneys that any such agency may contribute as its share of the cost under any such cooperative agreement. Such moneys shall be used only for the purposes for which they are contributed and any balance remaining after the conclusion of the experiments, investigations, studies, and research, shall be returned to the contributors.

(5) To issue, revoke or amend certificates under prescribed conditions for: (a) the discharge of sewage, industrial wastes and other wastes into or adjacent to state waters; (b) the alteration otherwise of the physical, chemical or biological properties of state waters; (c) excavation in a wetland; or (d) on and after October 1, 2001, the conduct of the following activities in a wetland: (i) new activities to cause draining that significantly alters or degrades existing wetland acreage or functions, (ii) filling or dumping, (iii) permanent flooding or impounding, or (iv) new activities that cause significant alteration or degradation of existing wetland acreage or functions.

(5a) All certificates issued by the Board under this chapter shall have fixed terms. The term of a Virginia Pollution Discharge Elimination System permit shall not exceed five years. As of December 31, 2004, any Department personnel conducting inspections for compliance with stormwater management permits shall hold a certificate of competence pursuant to § 10.1-561. The term of a Virginia Water Protection Permit shall be based upon the projected duration of the project, the length of any required monitoring, or other project operations or permit conditions; however, the term shall not exceed 15 years. The term of a Virginia Pollution Abatement permit shall not exceed 10 years, except that the term of a Virginia Pollution Abatement permit for confined animal feeding operations shall be 10 years. The Department of Environmental Quality shall inspect all facilities for which a Virginia Pollution Abatement permit has been issued at least once every five years, except that the Department shall inspect all facilities covered by the Virginia Pollution Abatement permit for confined animal feeding operations annually. Department personnel performing inspections of confined animal feeding operations shall be certified under the voluntary nutrient management training and certification program established in § 10.1-104.2. The term of a certificate issued by the Board shall not be extended by modification beyond the maximum duration and the certificate shall expire at the end of the term unless an application for a new permit has been timely filed as required by the regulations of the Board and the Board is unable, through no fault of the permittee, to issue a new permit before the expiration date of the previous permit.

(5b) Any certificate issued by the Board under this chapter may, after notice and opportunity for a hearing, be amended or revoked on any of the following grounds or for good cause as may be provided by the regulations of the Board:

1. The owner has violated any regulation or order of the Board, any condition of a certificate, any provision of this chapter, or any order of a court, where such violation results in a release of harmful substances into the environment or poses a substantial threat of release of harmful substances into the environment or presents a hazard to human health or the violation is representative of a pattern of serious or repeated violations which, in the opinion of the Board, demonstrates the owner's disregard for or inability to comply with applicable laws, regulations, or requirements;

2. The owner has failed to disclose fully all relevant material facts or has misrepresented a material fact in applying for a certificate, or in any other report or document required under this law or under the regulations of the Board;

3. The activity for which the certificate was issued endangers human health or the environment and can be regulated to acceptable levels by amendment or revocation of the certificate; or

4. There exists a material change in the basis on which the permit was issued that requires either a temporary or a permanent reduction or elimination of any discharge controlled by the certificate necessary to protect human health or the environment.

(5c) Any certificate issued by the Board under this chapter relating to dredging projects governed under Chapter 12 (§ 28.2-1200 et seq.) or Chapter 13 (§ 28.2-1300 et seq.) of Title 28.2 may be conditioned upon a demonstration of financial responsibility for the completion of compensatory mitigation requirements. Financial responsibility may be demonstrated by a letter of credit, a certificate of deposit or a performance bond executed in a form approved by the Board. If the U.S. Army Corps of Engineers requires demonstration of financial responsibility for the completion of compensatory

306 mitigation required for a particular project, then the mechanism and amount approved by the U.S. Army
307 Corps of Engineers shall be used to meet this requirement.

308 (6) To make investigations and inspections, to ensure compliance with any certificates, standards,
309 policies, rules, regulations, rulings and special orders which it may adopt, issue or establish and to
310 furnish advice, recommendations, or instructions for the purpose of obtaining such compliance. In
311 recognition of §§ 32.1-164 and 62.1-44.18, the Board and the State Department of Health shall enter into
312 a memorandum of understanding establishing a common format to consolidate and simplify inspections
313 of sewage treatment plants and coordinate the scheduling of the inspections. The new format shall
314 ensure that all sewage treatment plants are inspected at appropriate intervals in order to protect water
315 quality and public health and at the same time avoid any unnecessary administrative burden on those
316 being inspected.

317 (7) To adopt rules governing the procedure of the Board with respect to: (a) hearings; (b) the filing
318 of reports; (c) the issuance of certificates and special orders; and (d) all other matters relating to
319 procedure; and to amend or cancel any rule adopted. Public notice of every rule adopted under this
320 section shall be by such means as the Board may prescribe.

321 (8a) To issue special orders to owners (i) who are permitting or causing the pollution, as defined by
322 § 62.1-44.3, of state waters to cease and desist from such pollution, (ii) who have failed to construct
323 facilities in accordance with final approved plans and specifications to construct such facilities in
324 accordance with final approved plans and specifications, (iii) who have violated the terms and provisions
325 of a certificate issued by the Board to comply with such terms and provisions, (iv) who have failed to
326 comply with a directive from the Board to comply with such directive, (v) who have contravened duly
327 adopted and promulgated water quality standards and policies to cease and desist from such
328 contravention and to comply with such water quality standards and policies, (vi) who have violated the
329 terms and provisions of a pretreatment permit issued by the Board or by the owner of a publicly owned
330 treatment works to comply with such terms and provisions or (vii) who have contravened any applicable
331 pretreatment standard or requirement to comply with such standard or requirement; and also to issue
332 such orders to require any owner to comply with the provisions of this chapter and any decision of the
333 Board. *Orders issued pursuant to this subsection may include civil penalties of up to \$32,500 per
334 violation, not to exceed \$100,000 per order. The Board may assess penalties under this subsection if (a)
335 the person has been issued at least two written notices of alleged violation by the Department for the
336 same or substantially related violations at the same site, (b) such violations have not been resolved by
337 demonstration that there was no violation, by an order issued by the Board or the Director, or by other
338 means, (c) at least 130 days have passed since the issuance of the first notice of alleged violation, and
339 (d) there is a finding that such violations have occurred after a hearing conducted in accordance with
340 subdivision (8b). The actual amount of any penalty assessed shall be based upon the severity of the
341 violations, the extent of any potential or actual environmental harm, the compliance history of the
342 facility or person, any economic benefit realized from the noncompliance, and the ability of the person
343 to pay the penalty. The Board shall provide the person with the calculation for the proposed penalty
344 prior to any hearing conducted for the issuance of an order that assesses penalties pursuant to this
345 subsection. The issuance of a notice of alleged violation by the Department shall not be considered a
346 case decision as defined in § 2.2-4001. Any notice of alleged violation shall include a description of
347 each violation, the specific provision of law violated, and information on the process for obtaining a
348 final decision or fact finding from the Department on whether or not a violation has occurred, and
349 nothing in this section shall preclude an owner from seeking such a determination. Such civil penalties
350 shall be paid into the state treasury and deposited by the State Treasurer into the Virginia
351 Environmental Emergency Response Fund (§ 10.1-2500 et seq.), except that civil penalties assessed for
352 violations of Article 9 (§ 62.1-44.34:8 et seq.) or Article 11 (§ 62.1-44.34:14 et seq) of this chapter shall
353 be paid into the Virginia Petroleum Storage Tank Fund in accordance with § 62.1-44.34:11.*

354 (8b) Such special orders are to be issued only after a hearing *before a hearing officer appointed by*
355 *the Supreme Court in accordance with § 2.2-4020 or, if requested by the person, before a quorum of the*
356 *Board* with at least 30 days' notice to the affected owners, of the time, place and purpose thereof, and
357 they shall become effective not less than 15 days after service as provided in § 62.1-44.12; provided that
358 if the Board finds that any such owner is grossly affecting or presents an imminent and substantial
359 danger to (i) the public health, safety or welfare, or the health of animals, fish or aquatic life; (ii) a
360 public water supply; or (iii) recreational, commercial, industrial, agricultural or other reasonable uses, it
361 may issue, without advance notice or hearing, an emergency special order directing the owner to cease
362 such pollution or discharge immediately, and shall provide an opportunity for a hearing, after reasonable
363 notice as to the time and place thereof to the owner, to affirm, modify, amend or cancel such emergency
364 special order. If an owner who has been issued such a special order or an emergency special order is not
365 complying with the terms thereof, the Board may proceed in accordance with § 62.1-44.23, and where
366 the order is based on a finding of an imminent and substantial danger, the court shall issue an injunction
367 compelling compliance with the emergency special order pending a hearing by the Board. If an

emergency special order requires cessation of a discharge, the Board shall provide an opportunity for a hearing within 48 hours of the issuance of the injunction.

(8c) The provisions of this section notwithstanding, the Board may proceed directly under § 62.1-44.32 for any past violation or violations of any provision of this chapter or any regulation duly promulgated hereunder.

(8d) With the consent of any owner who has violated or failed, neglected or refused to obey any regulation or order of the Board, any condition of a permit or any provision of this chapter, the Board may provide, in an order issued by the Board against such person, for the payment of civil charges for past violations in specific sums not to exceed the limit specified in § 62.1-44.32 (a). Such civil charges shall be instead of any appropriate civil penalty which could be imposed under § 62.1-44.32 (a) and shall not be subject to the provisions of § 2.2-514. Such civil charges shall be paid into the state treasury and deposited by the State Treasurer into the Virginia Environmental Emergency Response Fund pursuant to Chapter 25 (§ 10.1-2500 et seq.) of Title 10.1, excluding civil charges assessed for violations of Article 9 (§ 62.1-44.34:8 et seq.) or 10 (§ 62.1-44.34:10 et seq.) of Chapter 3.1 of this title, or a regulation, administrative or judicial order, or term or condition of approval relating to or issued under those articles.

The amendments to this section adopted by the 1976 Session of the General Assembly shall not be construed as limiting or expanding any cause of action or any other remedy possessed by the Board prior to the effective date of said amendments.

(8e) The Board shall develop and provide an opportunity for public comment on guidelines and procedures that contain specific criteria for calculating the appropriate penalty for each violation based upon the severity of the violations, the extent of any potential or actual environmental harm, the compliance history of the facility or person, any economic benefit realized from the noncompliance, and the ability of the person to pay the penalty.

(9) To make such rulings under §§ 62.1-44.16, 62.1-44.17 and 62.1-44.19 as may be required upon requests or applications to the Board, the owner or owners affected to be notified by certified mail as soon as practicable after the Board makes them and such rulings to become effective upon such notification.

(10) To adopt such regulations as it deems necessary to enforce the general water quality management program of the Board in all or part of the Commonwealth, except that a description of provisions of any proposed regulation which are more restrictive than applicable federal requirements, together with the reason why the more restrictive provisions are needed, shall be provided to the standing committee of each house of the General Assembly to which matters relating to the content of the regulation are most properly referable.

(11) To investigate any large-scale killing of fish.

(a) Whenever the Board shall determine that any owner, whether or not he shall have been issued a certificate for discharge of waste, has discharged sewage, industrial waste, or other waste into state waters in such quantity, concentration or manner that fish are killed as a result thereof, it may effect such settlement with the owner as will cover the costs incurred by the Board and by the Department of Game and Inland Fisheries in investigating such killing of fish, plus the replacement value of the fish destroyed, or as it deems proper, and if no such settlement is reached within a reasonable time, the Board shall authorize its executive secretary to bring a civil action in the name of the Board to recover from the owner such costs and value, plus any court or other legal costs incurred in connection with such action.

(b) If the owner is a political subdivision of the Commonwealth, the action may be brought in any circuit court within the territory embraced by such political subdivision. If the owner is an establishment, as defined in this chapter, the action shall be brought in the circuit court of the city or the circuit court of the county in which such establishment is located. If the owner is an individual or group of individuals, the action shall be brought in the circuit court of the city or circuit court of the county in which such person or any of them reside.

(c) For the purposes of this subsection the State Water Control Board shall be deemed the owner of the fish killed and the proceedings shall be as though the State Water Control Board were the owner of the fish. The fact that the owner has or held a certificate issued under this chapter shall not be raised as a defense in bar to any such action.

(d) The proceeds of any recovery had under this subsection shall, when received by the Board, be applied, first, to reimburse the Board for any expenses incurred in investigating such killing of fish. The balance shall be paid to the Board of Game and Inland Fisheries to be used for the fisheries' management practices as in its judgment will best restore or replace the fisheries' values lost as a result of such discharge of waste, including, where appropriate, replacement of the fish killed with game fish or other appropriate species. Any such funds received are hereby appropriated for that purpose.

(e) Nothing in this subsection shall be construed in any way to limit or prevent any other action

429 which is now authorized by law by the Board against any owner.

430 (f) Notwithstanding the foregoing, the provisions of this subsection shall not apply to any owner who
431 adds or applies any chemicals or other substances that are recommended or approved by the State
432 Department of Health to state waters in the course of processing or treating such waters for public water
433 supply purposes, except where negligence is shown.

434 (12) To administer programs of financial assistance for planning, construction, operation, and
435 maintenance of water quality control facilities for political subdivisions in ~~this~~ the Commonwealth.

436 (13) To establish policies and programs for effective area-wide or basin-wide water quality control
437 and management. The Board may develop comprehensive pollution abatement and water quality control
438 plans on an area-wide or basin-wide basis. In conjunction with this, the Board, when considering
439 proposals for waste treatment facilities, is to consider the feasibility of combined or joint treatment
440 facilities and is to ensure that the approval of waste treatment facilities is in accordance with the water
441 quality management and pollution control plan in the watershed or basin as a whole. In making such
442 determinations, the Board is to seek the advice of local, regional, or state planning authorities.

443 (14) To establish requirements for the treatment of sewage, industrial wastes and other wastes that
444 are consistent with the purposes of this chapter; however, no treatment shall be less than secondary or
445 its equivalent, unless the owner can demonstrate that a lesser degree of treatment is consistent with the
446 purposes of this chapter.

447 (15) To promote and establish requirements for the reclamation and reuse of wastewater that are
448 protective of state waters and public health as an alternative to directly discharging pollutants into waters
449 of the state. The requirements shall address various potential categories of reuse and may include
450 general permits and provide for greater flexibility and less stringent requirements commensurate with the
451 quality of the reclaimed water and its intended use. The requirements shall be developed in consultation
452 with the Department of Health and other appropriate state agencies. This authority shall not be construed
453 as conferring upon the Board any power or duty duplicative of those of the State Board of Health.

454 (16) To establish and implement policies and programs to protect and enhance the Commonwealth's
455 wetland resources. Regulatory programs shall be designed to achieve no net loss of existing wetland
456 acreage and functions. Voluntary and incentive-based programs shall be developed to achieve a net
457 resource gain in acreage and functions of wetlands. The Board shall seek and obtain advice and
458 guidance from the Virginia Institute of Marine Science in implementing these policies and programs.

459 § 62.1-44.32. Penalties.

460 (a) Any person who violates any provision of this chapter, or who fails, neglects, or refuses to
461 comply with any order of the Board, or order of a court, issued as herein provided, shall be subject to a
462 civil penalty not to exceed ~~\$25,000~~ \$32,500 for each violation within the discretion of the court. Each
463 day of violation of each requirement shall constitute a separate offense. Such civil penalties shall be paid
464 into the state treasury and deposited by the State Treasurer into the Virginia Environmental Emergency
465 Response Fund pursuant to Chapter 25 of Title 10.1, excluding penalties assessed for violations of
466 Article 9 (§ 62.1-44.34:8 et seq.) or 10 (§ 62.1-44.34:10 et seq.) of Chapter 3.1 of Title 62.1, or a
467 regulation, administrative or judicial order, or term or condition of approval relating to or issued under
468 those articles.

469 Such civil penalties may, in the discretion of the court assessing them, be directed to be paid into the
470 treasury of the county, city, or town in which the violation occurred, to be used for the purpose of
471 abating environmental pollution therein in such manner as the court may, by order, direct, except that
472 where the owner in violation is such county, city or town itself, or its agent, the court shall direct such
473 penalty to be paid into the state treasury and deposited by the State Treasurer into the Virginia
474 Environmental Emergency Response Fund pursuant to Chapter 25 of Title 10.1, excluding penalties
475 assessed for violations of Article 9 or 10 of Chapter 3.1 of Title 62.1, or a regulation, administrative or
476 judicial order, or term or condition of approval relating to or issued under those articles.

477 In the event that a county, city, or town, or its agent, is the owner, such county, city, or town, or its
478 agent, may initiate a civil action against any user or users of a waste water treatment facility to recover
479 that portion of any civil penalty imposed against the owner proximately resulting from the act or acts of
480 such user or users in violation of any applicable federal, state, or local requirements.

481 (b) Any person who willfully or negligently violates any provision of this chapter, any regulation or
482 order of the Board, any condition of a certificate or any order of a court shall be guilty of a
483 misdemeanor punishable by confinement in jail for not more than ~~twelve~~ 12 months and a fine of not
484 less than \$2,500 nor more than ~~\$25,000~~ \$32,500, either or both. Any person who knowingly violates
485 any provision of this chapter, any regulation or order of the Board, any condition of a certificate or any
486 order of a court issued as herein provided, or who knowingly makes any false statement in any form
487 required to be submitted under this chapter or knowingly renders inaccurate any monitoring device or
488 method required to be maintained under this chapter, shall be guilty of a felony punishable by a term of
489 imprisonment of not less than one year nor more than three years, or in the discretion of the jury or the
490 court trying the case without a jury, confinement in jail for not more than ~~twelve~~ 12 months and a fine

of not less than \$5,000 nor more than \$50,000 for each violation. Any defendant that is not an individual shall, upon conviction of a violation under this subsection, be sentenced to pay a fine of not less than \$10,000. Each day of violation of each requirement shall constitute a separate offense.

(c) Any person who knowingly violates any provision of this chapter, and who knows at that time that he thereby places another person in imminent danger of death or serious bodily harm, shall, upon conviction, be guilty of a felony punishable by a term of imprisonment of not less than two years nor more than ~~fifteen~~ 15 years and a fine of not more than \$250,000, either or both. A defendant that is not an individual shall, upon conviction of a violation under this subsection, be sentenced to pay a fine not exceeding the greater of \$1,000,000 or an amount that is three times the economic benefit realized by the defendant as a result of the offense. The maximum penalty shall be doubled with respect to both fine and imprisonment for any subsequent conviction of the same person under this subsection.

(d) Criminal prosecution under this section shall be commenced within three years of discovery of the offense, notwithstanding the limitations provided in any other statute.

§ 62.1-44.34:20. Enforcement and penalties.

A. Upon a finding of a violation of this article or a regulation or term or condition of approval issued pursuant to this article, the Board is authorized to issue a special order requiring any person to cease and desist from causing or permitting such violation or requiring any person to comply with any such provision, regulation or term or condition of approval. Such special orders shall be issued only after notice and an opportunity for hearing except that, if the Board finds that any discharge in violation of this article poses a serious threat to (i) the public health, safety or welfare or the health of animals, fish, botanic or aquatic life; (ii) a public water supply; or (iii) recreational, commercial, industrial, agricultural or other reasonable uses, the Board may issue, without advance notice or hearing, an emergency special order requiring the operator of any facility, vehicle or vessel to cease such discharge immediately, to implement any applicable contingency plan and to effect containment and cleanup. Such emergency special order may also require the operator of a facility to modify or cease regular operation of the facility, or any portion thereof, until the Board determines that continuing regular operation of the facility, or such portion thereof, will not pose a substantial threat of additional or continued discharges. The Board shall affirm, modify, amend or cancel any such emergency order after providing notice and opportunity for hearing to the operator charged with the violation. The notice of the hearing and the emergency order shall be issued at the same time. If an operator who has been issued such a special order or an emergency special order is not complying with the terms thereof, the Board may proceed in accordance with subsection B of this section, and where the order is based on a finding of an imminent and substantial danger, the court shall issue an injunction compelling compliance with the emergency special order pending a hearing by the Board. If an emergency special order requires modification or cessation of operations, the Board shall provide an opportunity for a hearing within ~~forty-eight~~ 48 hours of the issuance of the injunction.

B. In the event of a violation of this article or a regulation, administrative or judicial order, or term or condition of approval issued under this article, or in the event of failure to comply with a special order issued by the Board pursuant to this section, the Board is authorized to proceed by civil action to obtain an injunction of such violation, to obtain such affirmative equitable relief as is appropriate and to recover all costs, damages and civil penalties resulting from such violation or failure to comply. The Board shall be entitled to an award of reasonable attorneys' fees and costs in any action in which it is a prevailing party.

C. Any person who violates or causes or permits to be violated a provision of this article, or a regulation, administrative or judicial order, or term or condition of approval issued under this article, shall be subject to a civil penalty for each such violation as follows:

1. For failing to obtain approval of an oil discharge contingency plan as required by § 62.1-44.34:15, not less than \$1,000 nor more than \$50,000 for the initial violation, and \$5,000 per day for each day of violation thereafter;

2. For failing to maintain evidence of financial responsibility as required by § 62.1-44.34:16, not less than \$1,000 nor more than \$100,000 for the initial violation, and \$5,000 per day for each day of violation thereafter;

3. For discharging or causing or permitting a discharge of oil into or upon state waters, or owning or operating any facility, vessel or vehicle from which such discharge originates in violation of § 62.1-44.34:18, up to \$100 per gallon of oil discharged;

4. For failing to cooperate in containment and cleanup of a discharge as required by § 62.1-44.34:18 or for failing to report a discharge as required by § 62.1-44.34:19, not less than \$1,000 nor more than \$50,000 for the initial violation, and \$10,000 for each day of violation thereafter; and

5. For violating or causing or permitting to be violated any other provision of this article, or a regulation, administrative or judicial order, or term or condition of approval issued under this article, up to ~~\$25,000~~ \$32,500 for each violation. Each day of violation of each requirement shall constitute a

552 separate offense.

553 D. Civil penalties may be assessed under this article either by a court in an action brought by the
554 Board pursuant to this section, *as specified in § 62.1-44.15*, or with the consent of the person charged,
555 in a special order issued by the Board. All penalties shall be paid into the state treasury and deposited
556 by the State Treasurer into the Virginia Underground Petroleum Storage Tank Fund as established in
557 § 62.1-44.34:11. In determining the amount of any penalty, consideration shall be given to the
558 willfulness of the violation, any history of noncompliance, the actions of the person in reporting,
559 containing and cleaning up any discharge or threat of discharge, the damage or injury to state waters or
560 the impairment of their beneficial use, the cost of containment and cleanup, the nature and degree of
561 injury to or interference with general health, welfare and property, and the available technology for
562 preventing, containing, reducing or eliminating the discharge.

563 E. Any person who knowingly violates, or causes or permits to be violated, a provision of this
564 article, or a regulation, administrative or judicial order, or term or condition of approval issued under
565 this article shall be guilty of a misdemeanor punishable by confinement in jail for not more than ~~twelve~~
566 12 months and a fine of not more than \$100,000, either or both. Any person who knowingly or willfully
567 makes any false statement, representation or certification in any application, record, report, plan or other
568 document filed or required to be maintained by this article or by administrative or judicial order issued
569 under this article shall be guilty of a felony punishable by a term of imprisonment of not less than one
570 nor more than three years and a fine of not more than \$100,000, either or both. In the case of a
571 discharge of oil into or upon state waters:

572 1. Any person who negligently discharges or negligently causes or permits such discharge shall be
573 guilty of a misdemeanor punishable by confinement in jail for not more than ~~twelve~~ 12 months and a
574 fine of not more than \$50,000, either or both.

575 2. Any person who knowingly and willfully discharges or knowingly and willfully causes or permits
576 such discharge shall be guilty of a felony punishable by a term of imprisonment of not less than one
577 year nor more than ~~ten~~ 10 years and a fine of not more than \$100,000, either or both.

578 F. Each day of violation of each requirement shall constitute a separate offense. In the event the
579 violation of this article follows a prior felony conviction under subdivision E 2 of this section, such
580 violation shall constitute a felony and shall be punishable by a term of imprisonment of not less than
581 two years nor more than ~~ten~~ 10 years and a fine of not more than \$200,000, either or both.

582 G. Upon conviction for a violation of any provision of this article, or a regulation, administrative or
583 judicial order, or term or condition of approval issued under this article, a defendant who is not an
584 individual shall be sentenced to pay a fine not exceeding the greater of:

585 1. \$1,000,000; or

586 2. An amount that is three times the economic benefit, if any, realized by the defendant as a result of
587 the offense.

588 H. Any tank vessel entering upon state waters which fails to provide evidence of financial
589 responsibility required by § 62.1-44.34:16, and any vessel from which oil is discharged into or upon
590 state waters, may be detained and held as security for payment to the Commonwealth of any damages or
591 penalties assessed under this section. Such damages and penalties shall constitute a lien on the vessel
592 and the lien shall secure all costs of containment and cleanup, damages, fines and penalties, as the case
593 may be, for which the operator may be liable. The vessel shall be released upon posting of a bond with
594 surety in the maximum amount of such damages or penalties.

595 **2. That the Director of the Department of Environmental Quality shall develop uniform**
596 **procedures to govern the formal hearings conducted pursuant to this Act to ensure they are**
597 **conducted in accordance with the Administrative Process Act, any policies adopted by the State**
598 **Water Control Board, the Virginia Waste Management Board, or the State Air Pollution Control**
599 **Board and to ensure that the facility owners and operators have access to information on how**
600 **such hearings will be conducted. In addition, the Director of the Department of Environmental**
601 **Quality shall develop and implement an early dispute resolution process to help identify and**
602 **resolve disagreements regarding what is required to comply with the regulations promulgated by**
603 **the State Air Pollution Control Board, the State Water Control Board, the Virginia Waste**
604 **Management Board and any related guidance. The process shall be available after the issuance of**
605 **a notice of alleged violation or other notice of deficiency issued by the Department. The early**
606 **dispute resolution process shall be developed by September 1, 2005, and information on the**
607 **process shall be provided to the public and to facilities potentially impacted by the provisions of**
608 **this Act.**