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## SENATE BILL NO. 1322

## AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Senate Committee on Agriculture, Conservation and Natural Resources  
on February 5, 2007)

(Patron Prior to Substitute—Senator Newman)

*A BILL to amend and reenact §§ 2.2-1509 and 10.1-2128 of the Code of Virginia, and to amend the Code of Virginia by adding a section numbered 10.1-2132.1, relating to combined sewer overflow in the City of Lynchburg and the City of Richmond.*

**Be it enacted by the General Assembly of Virginia:**

**1. That §§ 2.2-1509 and 10.1-2128 of the Code of Virginia are amended and reenacted, and that the Code of Virginia is amended by adding a section numbered 10.1-2132.1 as follows:**

§ 2.2-1509. Budget bill.

A. (Effective until July 1, 2008) On or before December 20 of the year immediately prior to the beginning of each regular session of the General Assembly held in an even-numbered year, the Governor also shall submit to the presiding officer of each house of the General Assembly, at the same time he submits "The Executive Budget," copies of a tentative bill for all proposed appropriations of the budget, for each year in the ensuing biennial appropriation period, which shall be known as "The Budget Bill." "The Budget Bill" shall be organized by function, primary agency, and proposed appropriation item and shall include (i) an identification of, and authorization for, common programs and (ii) the appropriation of funds according to programs. Strategic plan information and performance measurement results developed by each agency shall be made available to the General Assembly as it considers "The Budget Bill." Except as expressly provided in an appropriation act, whenever the amounts in a schedule for a single appropriation item are shown in two or more lines, the portions of the total amount shown on separate lines are for information purposes only and are not limiting. No such bill shall contain any appropriation the expenditure of which is contingent upon the receipt of revenues in excess of funds unconditionally appropriated.

A. (Effective July 1, 2008) On or before December 20 of the year immediately prior to the beginning of each regular session of the General Assembly held in an even-numbered year, the Governor also shall submit to the presiding officer of each house of the General Assembly, at the same time he submits "The Executive Budget," copies of a tentative bill for all proposed appropriations of the budget, for each year in the ensuing biennial appropriation period, which shall be known as "The Budget Bill." "The Budget Bill" shall be organized by function, primary agency, and proposed appropriation item and shall include an identification of, and authorization for, common programs and the appropriation of funds according to programs. Except as expressly provided in an appropriation act, whenever the amounts in a schedule for a single appropriation item are shown in two or more lines, the portions of the total amount shown on separate lines are for information purposes only and are not limiting. No such bill shall contain any appropriation the expenditure of which is contingent upon the receipt of revenues in excess of funds unconditionally appropriated.

B. The salary proposed for payment for the position of each cabinet secretary and administrative head of each agency and institution of the executive branch of state government shall be specified in "The Budget Bill," showing the salary ranges and levels proposed for such positions.

C. "The Budget Bill" shall include all proposed capital appropriations, including each capital project to be financed through revenue bonds or other debt issuance, the amount of each project, and the identity of the entity that will issue the debt.

D. Concurrently with the submission of "The Budget Bill," the Governor shall submit a tentative bill involving a request for authorization of additional bonded indebtedness if its issuance is authorized by, or its repayment is proposed to be made in whole or in part, from revenues or appropriations contained in "The Budget Bill."

E. On or before December 20 of the year immediately prior to the beginning of each regular session held in an odd-numbered year of the General Assembly, the Governor shall submit to the presiding officer of each house printed copies of all gubernatorial amendments proposed to the general appropriation act adopted in the immediately preceding even-numbered year session. In preparing the amendments, the Governor may obtain estimates in the manner prescribed in §§ 2.2-1504, 2.2-1505, and 2.2-1506. On the same date he shall also submit a tentative bill during the second year of the appropriation period, a request for authorization of additional bonded indebtedness if its issuance is authorized by, or its repayment is proposed to be made in whole or in part, from revenues or appropriations contained in the proposed gubernatorial amendments.

F. The proposed capital appropriations or capital projects described in, or for which proposed appropriations are made pursuant to, this section shall include the capital outlay projects required to be

60 included in "The Budget Bill" pursuant to § 2.2-1509.1. The Governor shall propose appropriations for  
61 such capital outlay projects in "The Budget Bill" in accordance with the minimum amount of funding  
62 and the designated sources of funding for such projects as required under § 2.2-1509.1.

63 *G. In submitting (i) a bill for all proposed appropriations of the budget pursuant to subsection A and*  
64 *(ii) gubernatorial amendments to the general appropriation act pursuant to subsection E, the Governor*  
65 *shall include as part thereof for each fiscal year that is covered under such bill or gubernatorial*  
66 *amendments a proposed appropriation in the amount of \$7 million for combined sewer overflow controls*  
67 *in the City of Lynchburg and the City of Richmond. The proposed appropriation shall provide that the*  
68 *\$7 million in each fiscal year be deposited into the Combined Sewer Overflow Fund established under*  
69 *§ 10.1-2132.1. The funding sources for the annual \$7 million proposed appropriation shall come from*  
70 *(a) 10% of the annual general fund revenue collections that are in excess of official estimates, and (b)*  
71 *10% of any unreserved general fund balance at the close of each fiscal year whose reappropriation is*  
72 *not required in the general appropriation act, which sources of revenue are described in subsection A of*  
73 *§ 10.1-2128 and are otherwise designated for deposit into the Virginia Water Quality Improvement Fund*  
74 *pursuant to such subsection. The Governor's proposed appropriation shall provide that the sources of*  
75 *revenue described in clauses (a) and (b) shall first be used to fund such annual \$7 million proposed*  
76 *appropriation prior to any such revenues being used for any other purposes under Article 4*  
77 *(§ 10.1-2128 et seq.) of Chapter 21.1 of Title 10.1. If the sources of revenue described in clauses (a)*  
78 *and (b) provide insufficient for purposes of full funding of the \$7 million proposed appropriation, the*  
79 *Governor's proposed appropriation shall provide for general funds of the Commonwealth to make up*  
80 *any deficiency. The proposed appropriation described in this subsection shall not be required for any*  
81 *fiscal year beginning on or after July 1, 2018.*

82 § 10.1-2128. Virginia Water Quality Improvement Fund established; purposes.

83 A. There is hereby established in the state treasury a special permanent, nonreverting fund, to be  
84 known as the "Virginia Water Quality Improvement Fund." The Fund shall be established on the books  
85 of the Comptroller. The Fund shall consist of sums appropriated to it by the General Assembly which  
86 shall include, unless otherwise provided in the general appropriation act, 10 percent of the annual  
87 general fund revenue collections that are in excess of the official estimates in the general appropriation  
88 act and 10 percent of any unreserved general fund balance at the close of each fiscal year whose  
89 reappropriation is not required in the general appropriation act. The Fund shall also consist of such other  
90 sums as may be made available to it from any other source, public or private, and shall include any  
91 penalties or damages collected under this article, federal grants solicited and received for the specific  
92 purposes of the Fund, and all interest and income from investment of the Fund. Any sums remaining in  
93 the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund  
94 but shall remain in the Fund. All moneys designated for the Fund shall be paid into the state treasury  
95 and credited to the Fund. ~~Moneys~~ *Except for the use of Fund moneys as provided under § 10.1-2132.1,*  
96 *moneys* in the Fund shall be used solely for Water Quality Improvement Grants. Expenditures and  
97 disbursements from the Fund shall be made by the State Treasurer on warrants issued by the  
98 Comptroller upon the written request of the Director of the Department of Environmental Quality or the  
99 Director of the Department of Conservation and Recreation as provided in this chapter.

100 B. The purpose of the Fund is to provide Water Quality Improvement Grants to local governments,  
101 soil and water conservation districts, institutions of higher education and individuals for point and  
102 nonpoint source pollution prevention, reduction and control programs and efforts undertaken in  
103 accordance with the provisions of this chapter. The Fund shall not be used for agency operating  
104 expenses or for purposes of replacing or otherwise reducing any general, nongeneral, or special funds  
105 allocated or appropriated to any state agency; however, nothing in this section shall be construed to  
106 prevent the award of a Water Quality Improvement Grant to a local government in connection with  
107 point or nonpoint pollution prevention, reduction and control programs or efforts undertaken on land  
108 owned by the Commonwealth and leased to the local government. In keeping with the purpose for  
109 which the Fund is created, it shall be the policy of the General Assembly to provide annually its share  
110 of financial support to qualifying applicants for grants in order to fulfill the Commonwealth's  
111 responsibilities under Article XI of the Constitution of Virginia.

112 C. For the fiscal year beginning July 1, 2005, \$50 million shall be appropriated from the general  
113 fund and deposited into the Fund. This appropriation and any amounts appropriated to the Fund in  
114 subsequent years in addition to any amounts deposited to the Fund pursuant to the provisions of  
115 subsection A of § 10.1-2128 shall be used solely to finance the costs of design and installation of  
116 nutrient removal technology at publicly owned treatment works designated as significant dischargers or  
117 eligible nonsignificant dischargers for compliance with the effluent limitations for total nitrogen and total  
118 phosphorus as required by the tributary strategy plans or applicable regulatory requirements.

119 At such time as grant agreements specified in § 10.1-2130 have been signed by every significant  
120 discharger and eligible nonsignificant discharger and available funds are sufficient to implement the  
121 provisions of such grant agreements, the House Committee on Agriculture, Chesapeake and Natural

Resources, the House Committee on Appropriations, the Senate Committee on Agriculture, Conservation and Natural Resources, and the Senate Committee on Finance shall review the financial assistance provided under this section and determine (i) whether such deposits should continue to be made, (ii) the size of the deposit to be made, (iii) the programs and activities that should be financed by such deposits in the future, and (iv) whether the provisions of this section should be extended.

§ 10.1-2132.1. *Combined Sewer Overflow Fund established.*

*There is hereby created in the Department of the Treasury a special nonreverting fund known as the Combined Sewer Overflow Fund (the Fund). The Fund shall be part of the Virginia Water Quality Improvement Fund established under § 10.1-2128. The Combined Sewer Overflow Fund subaccount shall be established on the books of the Comptroller. The Fund shall consist of a portion of (i) annual general fund revenue collections that are in excess of official estimates as described in subsection A of § 10.1-2128 and (ii) any unreserved general fund balance whose reappropriation is not required as described in subsection A of § 10.1-2128, as may be appropriated to the Fund by the General Assembly. The Fund shall also consist of all donations, gifts, bequests, grants, endowments, and other moneys given, bequeathed, granted, or otherwise made available to the Fund. Interest earned on funds within the Fund shall remain in and be credited to the Fund. Any sums remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund.*

*To the extent practical, moneys in the Fund may be used to match federal funds allocated for the benefit of combined sewer overflow (CSO) controls. However, moneys in the Fund shall be used solely by the relevant officers of the City of Lynchburg and the City of Richmond for purposes of eliminating CSO in each city. The Fund shall be administered by the Department of Environmental Quality, which shall approve all payments to such officers for the purposes described herein. Expenditures and disbursements from the Fund shall be made by the State Treasurer on warrants issued by the Comptroller upon the written request of the Director of the Department of Environmental Quality. The Director shall consult with the relevant officers of the City of Lynchburg and the City of Richmond for purposes of the timing of payments from the Fund. The Fund shall not be used for purposes of replacing or otherwise reducing any general, nongeneral, or special funds allocated or appropriated to or on behalf of the City of Lynchburg and the City of Richmond.*

*For purposes of this section, "combined sewer overflow" means the same as that term is defined in § 62.1-241.11.*