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SENATE BILL NO. 1328

Senate Amendments in [] - January 29, 2019

A *BILL to amend and reenact § 62.1-44.15:29.1 of the Code of Virginia, relating to Stormwater Local Assistance Fund; grants to non-MS4 localities.*

Patron Prior to Engrossment—Senator Hanger

Referred to Committee on Agriculture, Conservation and Natural Resources

Be it enacted by the General Assembly of Virginia:**1. That § 62.1-44.15:29.1 of the Code of Virginia is amended and reenacted as follows:****§ 62.1-44.15:29.1. (For effective date, see Acts 2016, cc. 68 and 758, as amended by Acts 2017, c. 345) Stormwater Local Assistance Fund.**

A. The State Comptroller shall continue in the state treasury the Stormwater Local Assistance Fund (the Fund) established by Chapter 806 of the Acts of Assembly of 2013, which shall be administered by the Department. All civil penalties and civil charges collected by the Board pursuant to §§ 62.1-44.15:25, 62.1-44.15:48, 62.1-44.15:63, and 62.1-44.15:74, subdivision (19) of § 62.1-44.15, and § 62.1-44.19:22 shall be paid into the state treasury and credited to the Fund, together with such other funds as may be made available to the Fund, which shall also receive bond proceeds from bonds authorized by the General Assembly, sums appropriated to it by the General Assembly, and other grants, gifts, and moneys as may be made available to it from any other source, public or private. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys 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.

B. The purpose of the Fund is to provide matching grants to local governments for the planning, design, and implementation of stormwater best management practices that address cost efficiency and commitments related to reducing water quality pollutant loads. Moneys in the Fund shall be used to meet (i) obligations related to the Chesapeake Bay total maximum daily load (TMDL) requirements, (ii) requirements for local impaired stream TMDLs, (iii) water quality measures of the Chesapeake Bay Watershed Implementation Plan, and (iv) water quality requirements related to the permitting of small municipal separate storm sewer (MS4) systems. The grants shall be used solely for stormwater capital projects, including (a) new stormwater best management practices, (b) stormwater best management practice retrofitting or maintenance, (c) stream restoration, (d) low-impact development projects, (e) buffer restoration, (f) pond retrofitting, and (g) wetlands restoration. Such grants shall be made in accordance with eligibility determinations made by the Department pursuant to criteria established by the Board.

C. *The Department, with the approval of the Secretary of Natural Resources, may designate a portion of the moneys [~~is~~ appropriated to] the Fund [for fiscal year 2020 and any subsequent fiscal year, in an amount no greater than 20 percent of the appropriated amount,] to provide matching grants to local governments that are not regulated under MS4 permits for the planning, design, and implementation of stormwater best management practices that are not related to the permitting of MS4s. For these [designated] moneys, the Department shall prioritize matching grants in support of projects that are regional in scope. All grants shall be made in accordance with eligibility determinations made by the Department pursuant to criteria established by the Board. [Any designated moneys remaining after the Department has completed its annual solicitation of grant applications and made related authorization decisions for projects proposed by non-MS4 localities shall be available for authorization by the Department to additional projects of MS4 localities.]*

D. Moneys in the Fund shall be used solely for the purpose set forth herein and disbursements from it shall be made by the State Treasurer on warrants issued by the Comptroller upon written request signed by the Director.

2. That the Department of Environmental Quality (the Department) shall develop criteria by which it may determine the eligibility of local governments for matching grants authorized pursuant to the provisions of subsection C of § 62.1-44.15:29.1 of the Code of Virginia, as amended by this act. In developing such criteria, the Department shall seek input from stakeholders, including the Chesapeake Bay Commission, the Chesapeake Bay Foundation, the James River Association, the Rappahannock River Basin Commission, the Virginia Association of Counties, the Virginia Municipal League, and the Virginia Municipal Stormwater Association. The Department shall create draft eligibility criteria, provide an opportunity for public comment on such draft criteria, and provide the completed criteria by January 1, 2020, to the State Water Control Board

ENGROSSED

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59 for its consideration.