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HOUSE BILL NO. 2161

House Amendments in [] — February 3, 1997

A BILL to amend and reenact §§ 9-6.14:4.1, 10.1-2500 and 10.1-2502 of the Code of Virginia and to amend the Code of Virginia by adding in Chapter 11.1 of Title 10.1 an article numbered 4, consisting of sections numbered 10.1-1197.1 through 10.1-1197.4, relating to the establishment of the Small Business Environmental Compliance Assistance Fund.

Patrons—Cox, Bloxom, Christian, Councill, McDonnell, Morgan, Rhodes and Thomas

Referred to Committee on General Laws

Be it enacted by the General Assembly of Virginia:

1. That §§ 9-6.14:4.1, 10.1-2500 and 10.1-2502 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding in Chapter 11.1 of Title 10.1 an article numbered 4, consisting of sections numbered 10.1-1197.1 through 10.1-1197.4, as follows:

§ 9-6.14:4.1. Exemptions and exclusions.

A. Although required to comply with § 9-6.18 of the Virginia Register Act (§ 9-6.15 et seq.), the following agencies are exempted from the provisions of this chapter, except to the extent that they are specifically made subject to §§ 9-6.14:14.1, 9-6.14:21 and 9-6.14:22:

1. The General Assembly.

2. Courts, any agency of the Supreme Court, and any agency which by the Constitution is expressly granted any of the powers of a court of record.

3. The Department of Game and Inland Fisheries in promulgating regulations regarding the management of wildlife and for all case decisions rendered pursuant to any provisions of Chapters 2 (§ 29.1-200 et seq.), 3 (§ 29.1-300 et seq.), 4 (§ 29.1-400 et seq.), 5 (§ 29.1-500 et seq.), and 7 (§ 29.1-700 et seq.) of Title 29.1.

4. The Virginia Housing Development Authority.

5. Municipal corporations, counties, and all local, regional or multijurisdictional authorities created under this Code, including those with federal authorities.

6. Educational institutions operated by the Commonwealth provided that, with respect to § 9-6.14:22, such educational institutions shall be exempt from the publication requirements only with respect to regulations which pertain to (i) their academic affairs; (ii) the selection, tenure, promotion and disciplining of faculty and employees; (iii) the selection of students; and (iv) rules of conduct and disciplining of students.

7. The Milk Commission in promulgating regulations regarding (i) producers' license and base, (ii) classification and allocation of milk, computation of sales and shrinkage, and (iii) class prices for producers' milk, time and method of payment, butterfat testing and differential.

8. The Virginia Resources Authority.

9. Agencies expressly exempted by any other provision of this Code.

10. The Virginia Voluntary Formulary Board in formulating recommendations regarding amendments to the Formulary pursuant to § 32.1-81.

11. The Council on Information Management.

12. The Department of General Services in promulgating standards for the inspection of buildings for asbestos pursuant to § 2.1-526.14.

13, 14. [Repealed.]

15. The State Council of Higher Education for Virginia, in developing, issuing, and revising guidelines pursuant to § 23-9.6:2.

16. The Commissioner of Agriculture and Consumer Services in adopting regulations pursuant to subsection B of § 3.1-726.

17. The Commissioner of Agriculture and Consumer Services and the Board of Agriculture and Consumer Services in promulgating regulations pursuant to subsections B and C of § 3.1-106.4, subsection B of § 3.1-126.12:1, § 3.1-271.1, § 3.1-398, subsections B and C of § 3.1-828.4, and subsection A of § 3.1-884.21:1.

18. The Board of Optometry when specifying therapeutic pharmaceutical agents, treatment guidelines, and diseases and abnormal conditions of the human eye and its adnexa for TPA-certification of optometrists pursuant to Article 5 (§ 54.1-3222 et seq.) of Chapter 32 of Title 54.1.

19. The Board of Medicine, in consultation with the Board of Pharmacy, when promulgating amendments to the Physician's Assistant Formulary established pursuant to § 54.1-2952.1.

20. The Boards of Medicine and Nursing in promulgating amendments to the Nurse Practitioner

ENGROSSED

HB2161E

60 Formulary established pursuant to § 54.1-2957.01.

61 21. The Virginia War Memorial Foundation.

62 22. The Virginia Medicaid Prior Authorization Advisory Committee in making recommendations to
63 the Board of Medical Assistance Services regarding prior authorization for prescription drug coverage
64 pursuant to Article 4 (§ 32.1-331.12 et seq.) of Chapter 10 of Title 32.1.

65 23. The State Board of Education, in developing, issuing, and revising guidelines pursuant to
66 § 22.1-280.3.

67 24. The Virginia Student Assistance Authorities.

68 25. The Virginia Racing Commission, when acting by and through its duly appointed stewards or in
69 matters related to any specific race meeting.

70 26. The Virginia Small Business Financing Authority.

71 27. The Virginia Economic Development Partnership Authority.

72 28. The Board of Agriculture and Consumer Services in adopting, amending or repealing regulations
73 pursuant to clause A (ii) of § 59.1-156.

74 B. Agency action relating to the following subjects is exempted from the provisions of this chapter:

75 1. Money or damage claims against the Commonwealth or agencies thereof.

76 2. The award or denial of state contracts, as well as decisions regarding compliance therewith.

77 3. The location, design, specifications or construction of public buildings or other facilities.

78 4. Grants of state or federal funds or property.

79 5. The chartering of corporations.

80 6. Customary military, naval or police functions.

81 7. The selection, tenure, dismissal, direction or control of any officer or employee of an agency of
82 the Commonwealth.

83 8. The conduct of elections or eligibility to vote.

84 9. Inmates of prisons or other such facilities or parolees therefrom.

85 10. The custody of persons in, or sought to be placed in, mental, penal or other state institutions as
86 well as the treatment, supervision, or discharge of such persons.

87 11. Traffic signs, markers or control devices.

88 12. Instructions for application or renewal of a license, certificate, or registration required by law.

89 13. Content of, or rules for the conduct of, any examination required by law.

90 14. The administration of a pool or pools authorized by Article 7.1 (§ 2.1-234.9:1 et seq.) of Chapter
91 14 of Title 2.1.

92 15. Any rules for the conduct of specific lottery games, so long as such rules are not inconsistent
93 with duly adopted regulations of the State Lottery Board, and provided that such regulations are
94 published and posted.

95 16. Orders condemning or closing any shellfish, finfish, or crustacea growing area and the shellfish,
96 finfish or crustacea located thereon pursuant to Article 2 (§ 28.2-803 et seq.) of Chapter 8 of Title 28.2.

97 17. Any operating procedures for review of child deaths developed by the State Child Fatality
98 Review Team pursuant to § 32.1-283.1.

99 18. *Loans from the Small Business Environmental Compliance Assistance Fund pursuant to Article 4*
100 *(§ 10.1-1197.1 et seq.) of Chapter 11.1 of Title 10.1.*

101 C. The following agency actions otherwise subject to this chapter and § 9-6.18 of the Virginia
102 Register Act are excluded from the operation of Article 2 (§ 9-6.14:7.1 et seq.) of this chapter:

103 1. Agency orders or regulations fixing rates or prices.

104 2. Regulations which establish or prescribe agency organization, internal practice or procedures,
105 including delegations of authority.

106 3. Regulations which consist only of changes in style or form or corrections of technical errors. Each
107 promulgating agency shall review all references to sections of the Code of Virginia within their
108 regulations each time a new supplement or replacement volume to the Code of Virginia is published to
109 ensure the accuracy of each section or section subdivision identification listed.

110 4. Regulations which:

111 (a) Are necessary to conform to changes in Virginia statutory law or the appropriation act where no
112 agency discretion is involved;

113 (b) Are required by order of any state or federal court of competent jurisdiction where no agency
114 discretion is involved; or

115 (c) Are necessary to meet the requirements of federal law or regulations, provided such regulations
116 do not differ materially from those required by federal law or regulation, and the Registrar has so
117 determined in writing; notice of the proposed adoption of these regulations and the Registrar's above
118 determination shall be published in the Virginia Register not less than thirty days prior to the effective
119 date thereof.

120 5. Regulations which an agency finds are necessitated by an emergency situation. For the purposes of
121 this subdivision, "emergency situation" means (i) a situation involving an imminent threat to public

health or safety or (ii) a situation in which Virginia statutory law or the appropriation act or federal law or federal regulation requires that a regulation shall be effective in 280 days or less from enactment of the law or the appropriation act or the effective date of the federal regulation, and the regulation is not exempt under the provisions of subdivision C 4 of this section. In such cases, the agency shall state in writing the nature of the emergency and of the necessity for such action and may adopt such regulations. Pursuant to § 9-6.14:9, such regulations shall become effective upon approval by the Governor and filing with the Registrar of Regulations. Such regulations shall be limited to no more than twelve months in duration. During the twelve-month period, an agency may issue additional emergency regulations as needed addressing the subject matter of the initial emergency regulation, but any such additional emergency regulations shall not be effective beyond the twelve-month period from the effective date of the initial emergency regulation. If the agency wishes to continue regulating the subject matter governed by the emergency regulation beyond the twelve-month limitation, a regulation to replace the emergency regulation shall be promulgated in accordance with Article 2 (§ 9-6.14:7.1 et seq.) of this chapter. The Notice of Intended Regulatory Action to promulgate a replacement regulation shall be published within sixty days of the effective date of the emergency regulation, and the proposed replacement regulation shall be published within 180 days after the effective date of the emergency regulation.

6. [Repealed.]

7. Preliminary program permit fees of the Department of Environmental Quality assessed pursuant to subsection C of § 10.1-1322.2.

8. Regulations of the Pesticide Control Board adopted pursuant to subsection B of § 3.1-249.51 or clause (v) or (vi) of subsection C of § 3.1-249.53 after having been considered at two or more Board meetings and one public hearing.

9. Regulations of the regulatory boards served by the Department of Professional and Occupational Regulation pursuant to Title 54.1 which are limited to reducing fees charged to regulants and applicants.

10. The development and issuance of procedural policy relating to risk-based mine inspections by the Department of Mines, Minerals and Energy authorized pursuant to § 45.1-161.82.

11. General permits issued by the State Air Pollution Control Board pursuant to Chapter 13 (§ 10.1-1300 et seq.), of Title 10.1 if the Board: (i) provides a Notice of Intended Regulatory Action in conformance with the provisions of subsection B of § 9-6.14:7.1, (ii) following the passage of thirty days from the publication of the Notice of Intended Regulatory Action forms a technical advisory committee composed of relevant stakeholders, including potentially affected citizens groups, to assist in the development of the general permit, (iii) provides notice and receives oral and written comment as provided in subsection F of § 9-6.14:7.1, and (iv) conducts at least one public hearing on the proposed general permit.

12. General permits issued by the State Water Control Board pursuant to the State Water Control Law (§ 62.1-44.2 et seq.), Chapter 24 (§ 62.1-242 et seq.) of Title 62.1 and Chapter 25 (§ 62.1-254 et seq.) of Title 62.1 if the Board: (i) provides a Notice of Intended Regulatory Action in conformance with the provisions of subsection B of § 9-6.14:7.1, (ii) following the passage of thirty days from the publication of the Notice of Intended Regulatory Action forms a technical advisory committee composed of relevant stakeholders, including potentially affected citizens groups, to assist in the development of the general permit, (iii) provides notice and receives oral and written comment as provided in subsection F of § 9-6.14:7.1, and (iv) conducts at least one public hearing on the proposed general permit.

Whenever regulations are adopted under this subsection C, the agency shall state as part thereof that it will receive, consider and respond to petitions by any interested person at any time with respect to reconsideration or revision. The effective date of regulations adopted under this subsection shall be in accordance with the provisions of § 9-6.14:9.3, except in the case of emergency regulations, which shall become effective as provided in subsection A of § 9-6.14:9.

D. The following agency actions otherwise subject to this chapter are excluded from the operation of Article 3 (§ 9-6.14:11 et seq.) of this chapter:

1. The assessment of taxes or penalties and other rulings in individual cases in connection with the administration of the tax laws.

2. The award or denial of claims for workers' compensation.

3. The grant or denial of public assistance.

4. Temporary injunctive or summary orders authorized by law.

5. The determination of claims for unemployment compensation or special unemployment.

6. The suspension of any license, certificate, registration or authority granted any person by the Department of Health Professions or the Department of Professional and Occupational Regulation for the dishonor, by a bank or financial institution named, of any check, money draft or similar instrument used in payment of a fee required by statute or regulation.

E. Appeals from decisions of the Governor's Employment and Training Department otherwise subject

to this chapter are excluded from the operation of Article 4 (§ 9-6.14:15 et seq.) of this chapter.

F. The Marine Resources Commission, otherwise subject to this chapter and § 9-6.18 of the Virginia Register Act, is excluded from the operation of subsection C of this section and of Article 2 (§ 9-6.14:7.1 et seq.) of this chapter; however, the authorization for any general permit or guidelines for activity undertaken pursuant to Title 28.2 by the Marine Resources Commission shall be in accordance with the provisions of this chapter.

G. A regulation for which an exemption is claimed under this section and which is placed before a board or commission for consideration shall be provided at least two days in advance of the board or commission meeting to members of the public that request a copy of that regulation. A copy of that regulation shall be made available to the public attending such meeting.

H. The Joint Legislative Audit and Review Commission shall conduct a review periodically of exemptions and exclusions authorized by this section. The purpose of this review shall be to assess whether there are any exemptions or exclusions which should be discontinued or modified.

I. Minor changes to regulations being published in the Virginia Administrative Code under the Virginia Register Act, Chapter 1.2 (§ 9-6.15 et seq.) of this title, made by the Virginia Code Commission pursuant to § 9-77.10:1 shall be exempt from the provisions of this chapter.

Article 4.

Small Business Environmental Compliance Assistance Fund.

§ 10.1-1197.1. Definitions.

As used in this chapter, unless the context requires a different meaning:

"Fund" means the Small Business Environmental Compliance Assistance Fund.

"Small business" means a business located in Virginia that (i) employs 100 or fewer people and (ii) is a small business concern as defined in the federal Small Business Act (15 U.S.C. § 631 et seq.) as amended.

"Voluntary pollution prevention measures" means operational or equipment changes that meet the definition of pollution prevention contained in § 10.1-1425.10 and are not otherwise required by law.

§ 10.1-1197.2. Small Business Environmental Compliance Assistance Fund established; administration; collection of money.

A. There is hereby created in the state treasury a special nonreverting fund to be known as the Small Business Environmental Compliance Assistance Fund, hereafter referred to as the "Fund." The Fund shall be comprised of (i) moneys appropriated to the Fund by the General Assembly, (ii) receipts by the Fund from loans made by it, (iii) all income from the investment of moneys held by the Fund, (iv) any moneys transferred from the Virginia Environmental Emergency Response Fund as authorized by § 10.1-2502, and (v) any other moneys designated for deposit to the Fund from any 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. Moneys in the Fund shall be used solely for the purposes provided in this article. Any moneys appropriated or otherwise credited to the Fund that were received by the Department pursuant to Title V (42 U.S.C. §§ 7661 et seq.) of the federal Clean Air Act shall be used solely for purposes associated with Title V of the federal Clean Air Act. Expenditures and disbursements from the Fund shall be made by the State Treasurer on warrants issued by the Comptroller upon written request signed by Director of the Department. The Fund shall be administered and managed by the Department, or any entity operating under a contract or agreement with the Department.

B. The Department, or its designated agent, is empowered to collect moneys due to the Fund. Proceedings to recover moneys due to the Fund may be instituted in the name of the Fund in any appropriate circuit court.

§ 10.1-1197.3. Purposes of Fund; loans to small businesses; administrative costs.

A. Moneys in the Fund shall be used to make loans or to guarantee loans to small businesses for the purchase [and installation] of environmental pollution control and prevention equipment certified by the Department as meeting the following requirements:

1. The air pollution control equipment is needed by the small business to comply with the federal Clean Air Act (42 U.S.C. § 7401 et seq.); or

2. The pollution control equipment will allow the small business to implement voluntary pollution prevention measures.

B. The Department or its designated agent shall determine the terms and conditions of any loan. All loans shall be evidenced by appropriate security as determined by the Department or its designated agent. The Department, or its agent, may require any documents, instruments, certificates, or other information deemed necessary or convenient in connection with any loan from the Fund.

C. A portion of the Fund balance may be used to cover the costs of administering the Fund. The amount shall not exceed the lesser of actual costs incurred for the previous fiscal year or ten percent of the average fund balance during that year.

§ 10.1-1197.4. Annual audit.

The Auditor of Public Accounts shall annually audit the accounts of the Fund when the records of the Department are audited.

§ 10.1-2500. Virginia Environmental Emergency Response Fund established.

A. There is hereby established the Virginia Environmental Emergency Response Fund, hereafter referred to as the Fund, to be used for the purpose of emergency response to environmental pollution incidents and for the development and implementation of corrective actions for pollution incidents, other than pollution incidents addressed through the Virginia Underground Petroleum Storage Tank Fund, as described in § 62.1-44.34:11 of the State Water Control Law, *and to assist small businesses [~~in~~ avoiding environmental management practices that could result in environmental pollution incidents for the purposes described in § 10.1-1197.3]*.

B. The Fund shall be a nonlapsing revolving fund consisting of grants, general funds, and other such moneys as appropriated by the General Assembly, and moneys received by the State Treasurer for:

1. Noncompliance penalties assessed pursuant to § 10.1-1311, civil penalties assessed pursuant to subsection B of § 10.1-1316 and civil charges assessed pursuant to subsection C of § 10.1-1316.

2. Civil penalties assessed pursuant to subsection C of § 10.1-1418.1, civil penalties assessed pursuant to subsections A and E of § 10.1-1455 and civil charges assessed pursuant to subsection F of § 10.1-1455.

3. Civil charges assessed pursuant to subdivision 8d of § 62.1-44.15 and civil penalties assessed pursuant to subsection (a) of § 62.1-44.32, excluding assessments made for violations of Article 9 (§ 62.1-44.34:8 et seq.) or 10 (§ 62.1-44.34:10 et seq.), Chapter 3.1 of Title 62.1, or a regulation, administrative or judicial order, or term or condition of approval relating to or issued under those articles.

4. Civil penalties and civil charges assessed pursuant to § 62.1-270.

5. Civil penalties assessed pursuant to subsection A of § 62.1-252 and civil charges assessed pursuant to subsection B of § 62.1-252.

6. *Civil penalties assessed in conjunction with special orders by the Director pursuant to § 10.1-1186.*

§ 10.1-2502. Disbursements from the Fund; transfer of funds to the Small Business Environmental Compliance Assistance Fund.

The disbursement of moneys from the Fund shall be made by the State Comptroller at the written request of the Director of the Department of Environmental Quality. The Director shall have the authority to access the Fund for up to \$100,000 per occurrence as long as the disbursement does not exceed the balance for the agency account. If the Director requests a disbursement in excess of \$100,000 or an amount exceeding the remaining agency balance, the disbursement shall require the written approval of the Governor. The Department of Environmental Quality shall develop guidelines which, after approval by the Governor, determine how the Fund can be used for the purposes described herein.

Disbursements from the Fund may be made for the purposes outlined in § 10.1-2500, including, but not limited to, personnel, administrative, and equipment costs and expenses directly incurred by the above-mentioned agencies or by any other agency or political subdivision, acting at the direction of one of the above-mentioned agencies, in and for preventing or alleviating damage, loss, hardship, or suffering caused by environmental pollution incidents.

The agency shall promptly seek reimbursement from any person causing or contributing to an environmental pollution incident for all sums disbursed from the Fund for the protection, relief and recovery from loss or damage caused by such person. In the event a request for reimbursement is not paid within sixty days of receipt of a written demand, the claim shall be referred to the Attorney General for collection. The agency shall be allowed to recover all legal and court costs and other expenses incident to such actions for collection.

In any year in which the Fund balance exceeds two million dollars, the Director may transfer such excess amount to the Small Business Environmental Compliance Assistance Fund established pursuant to § 10.1-1197.2.

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HB2161E