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# VIRGINIA STATE BUDGET

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2016 Session

## Budget Bill - HB29 (Chapter 732)

Bill Order » Office of Natural Resources » Item 363

Department of Environmental Quality

Item 363 (Not set out)	First Year - FY2015	Second Year - FY2016
<b>Environmental Financial Assistance (51500)</b>	<b>\$69,796,177</b>	<b>\$67,213,677</b>
Financial Assistance for Environmental Resources Management (51502)	\$9,652,202	\$9,652,202
Virginia Water Facilities Revolving Fund Loans and Grants (51503)	\$30,741,543	\$28,159,043
Financial Assistance for Coastal Resources Management (51507)	\$2,424,500	\$2,424,500
Litter Control and Recycling Grants (51509)	\$1,939,509	\$1,939,509
Petroleum Tank Reimbursement (51511)	\$25,038,423	\$25,038,423
Fund Sources:		
General	\$9,806,280	\$7,223,780
Trust and Agency	\$25,004,646	\$25,004,646
Dedicated Special Revenue	\$4,611,509	\$4,611,509
Federal Trust	\$30,373,742	\$30,373,742

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Authority: Title 10.1, Chapters 11.1, 14, 21.1, and 25 and Title 62.1, Chapters 3.1, 22, 23.2, and 24, Code of Virginia.

A. To the extent available, the authorization included in Chapter 781, 2009 Acts of Assembly, Item 368, paragraph E, is hereby continued for the Virginia Public Building Authority to issue revenue bonds in order to finance Virginia Water Quality Improvement Grants, pursuant to Chapter 851, 2007 Acts of Assembly.

B. To the extent available, the authorization included in Chapter 806, 2013 Acts of Assembly, Item C-39.40, is hereby continued for the Virginia Public Building Authority to issue revenue bonds in order to finance the Stormwater Local Assistance Fund, the Combined Sewer Overflow Matching Fund, Nutrient Removal Grants, the Hopewell Regional Wastewater Treatment Authority, and the Appomattox River Water Authority. The administration of several of the water quality programs, including the Stormwater Local Assistance Fund, transferred to the Department of Environmental Quality per Chapter 756, 2013 Acts of Assembly.

C.1. The State Comptroller is authorized to continue the Stormwater Local Assistance Fund as established in Item 360, Chapter 806, 2013 Acts of Assembly. The fund shall consist of bond proceeds from bonds authorized by the General Assembly and issued pursuant to Item C-39.40 in Chapter 806, 2013 Acts of Assembly, and Item C-43 of this act, sums appropriated to it by the General Assembly, including \$5,000,000 from the general fund for the fiscal year beginning July 1, 2015, and other grants, gifts, and moneys as may be made available to it from any other source, public or private. Interest earned on the 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.

2. 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 requirements of the Chesapeake Bay Watershed Implementation Plan (WIP); and iv) water quality requirements related to the permitting of small municipal stormwater sewer systems. The grants shall be used solely for capital projects meeting all pre-requirements for implementation, including but not limited to: i) new stormwater best management practices; ii) stormwater best management practice retrofits; iii) stream restoration; iv) low impact development projects; v) buffer restoration; vi) pond retrofits; and vii) wetlands restoration.

D. The grants shall be used solely for capital projects meeting all pre-requirements for implementation, including but not limited to: i) new stormwater best management practices; ii) stormwater best management practice retrofits; iii) stream restoration; iv) low impact development projects; v) buffer restoration; vi) pond retrofits; and vii) wetlands restoration. Such grants shall be in accordance with eligibility determinations made by the State Water Control Board under the authority of the Department of Environmental Quality.

E. The Department of Environmental Quality is authorized to capitalize the Nutrient Offset Fund to the extent necessary to facilitate the development of grants or contracts to support animal waste to energy projects.

F.1. Notwithstanding § 10.1-2129 A., Code of Virginia, out of this appropriation, \$7,582,500 the first year from the general fund shall be deposited to the Virginia Water Quality Improvement Fund established under the Water Quality Improvement Act of 1997. Pursuant to paragraph B of Item 356, \$988,538 is designated for deposit to the reserve within the Virginia Water Quality Improvement Fund. Of the remaining amounts, \$6,593,962 is provided for stormwater and nonpoint source water quality projects, including municipal separate stormwater sewer systems and grants to local governments.

2. This appropriation, together with the amounts included in Item 357 of this act, meets the mandatory deposit requirements associated with the FY 2013 excess general fund revenue collections and discretionary year-end general fund balances.

3. Out of this appropriation, the Department of Environmental Quality shall use an amount not to exceed \$3,000,000 from the Water Quality Improvement Fund to conduct the James River chlorophyll study pursuant to the approved Virginia Chesapeake Bay Total Maximum Daily Load, Phase I Watershed Implementation Plan. This amount shall be used solely for contractual support for water quality monitoring and analysis and computer modeling. No portion of this funding may be used for administrative costs of the department.

4. Out of such funds available in this item, the Department shall provide funding to the Virginia Geographic Information Network in an amount necessary to implement statewide digital orthography to improve land coverage data necessary to assist localities in planning and implementing stormwater management programs. As part of this authorization, the Department shall also include data to update prior LIDAR surveys of elevations along coastal areas to support activities related to management of recurrent coastal flooding.

G. Out of the amounts appropriated for Financial Assistance for Environmental Resources Management, \$3,292,479 the first year and \$3,292,479 the second year from federal funds is provided to implement stormwater management activities.

H.1. Each locality establishing a utility or enacting a system of service charges to support a local stormwater management program pursuant to § 15.2-2114, Code of Virginia, shall provide to the Department of Environmental Quality by October 1 of each year, in a format specified by the Department, a report as to each program funded by these fees and the expected nutrient and sediment reductions for each of these programs.

2. The Auditor of Public Accounts shall include in the Specifications for Audits of Counties, Cities, and Towns regulations for all local governments establishing a utility or enacting a system of service charges to support a local stormwater management program pursuant to § 15.2-2114, Code of Virginia, a requirement to ensure that each impacted local government is in compliance with the provisions of § 15.2-2114 A., Code of Virginia. Any such adjustment to the Specifications for Audits of Counties, Cities, and Towns regulations shall be exempt from the Administrative Process Act and shall be required for all audits completed after July 1, 2014.

I.1. The Department shall form a stakeholder working group including, but not limited to, representatives from industries providing services and remediation work to owners of leaking petroleum storage tanks as well as environmental communities to advise the Department regarding current guidance and policy governing the cleanup of petroleum releases. The review shall determine: a) if the Department's present guidance is being applied uniformly across regional offices, b) the adequacy of the Department's guidance with respect to the Commonwealth's groundwater protection regulations and the Department's technical regulations regarding petroleum spill remediation; and c) the appropriate deductibles for homeowners.

2. Not later than November 30, 2015, the Department shall submit a report, including any recommendations of the working group, to the Chairmen of the House Appropriations and Senate Finance Committees.