

25102354D

SENATE BILL NO. 958

Offered January 8, 2025

Prefiled January 6, 2025

A BILL to amend and reenact §§ 10.1-2127.1, 10.1-2128, and 10.1-2128.1 of the Code of Virginia, relating to Virginia Water Quality Improvement Fund; Virginia Natural Resources Commitment Fund.

Patron—Stuart

Referred to Committee on Agriculture, Conservation and Natural Resources

Be it enacted by the General Assembly of Virginia:

1. That §§ 10.1-2127.1, 10.1-2128, and 10.1-2128.1 of the Code of Virginia are amended and reenacted as follows:

§ 10.1-2127.1. Definitions.

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

"Fund" means the Virginia Water Quality Improvement Fund established by § 10.1-2128.

"Reserve fund" means the subfund of the Fund established in subsection C of § 10.1-2128.

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

A. There is hereby established in the state treasury a special permanent, nonreverting fund, to be known as the "Virginia Water Quality Improvement Fund." The Fund shall be established on the books of the Comptroller. The Fund shall consist of sums appropriated to it by the General Assembly which shall include, unless otherwise provided in the general appropriation act, 10 percent of the annual general fund revenue collections that are in excess of the official estimates in the general appropriation act and 10 percent of any unrestricted and uncommitted general fund balance at the close of each fiscal year whose reappropriation is not required in the general appropriation act. The Fund shall also consist of such other sums as may be made available to it from any other source, public or private, and shall include any penalties or damages collected under this article, federal grants solicited and received for the specific purposes of the Fund, and all interest and income from investment of 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. All moneys designated for the Fund shall be paid into the state treasury and credited to the Fund. Moneys in the Fund shall be used solely for Water Quality Improvement Grants. 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 or the Director of the Department of Conservation and Recreation as provided in this chapter.

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

C. For the purposes of ongoing funding, the Director of the Department of Conservation and Recreation shall establish a reserve fund within the Fund to support the purposes established under this article when year-end general fund surpluses are unavailable. Fifteen percent of any amounts appropriated to the Fund due to annual general fund revenue collections in excess of the official estimates contained in the general appropriation act shall be withheld from appropriation and held in the reserve fund unless otherwise specified. When annual general fund revenue collections do not exceed the official revenue estimates contained in the general appropriation act, the reserve fund may be used for the purposes provided under this article with a priority of funding the needs established pursuant to subsection C of § 10.1-2128.1.

D. For the fiscal year beginning July 1, 2005, \$50 million shall be appropriated from the general fund and deposited into the Fund. Except as otherwise provided under this article, such appropriation and any amounts appropriated to the Fund in subsequent years in addition to any amounts deposited to the Fund pursuant to the provisions of subsection A shall be used solely to finance the costs of design and installation of nutrient removal technology at publicly owned treatment works designated as significant dischargers or eligible

INTRODUCED

SB958

nonsignificant dischargers for compliance with the effluent limitations for total nitrogen and total phosphorus of the Chesapeake Bay TMDL Watershed Implementation Plan or applicable regulatory or permit requirements. Notwithstanding the provisions of this section, the Governor and General Assembly may, at any time, provide additional funding for nonpoint source pollution reduction activities through the Fund in excess of the deposit required under subsection A.

At such time as grant agreements specified in § 10.1-2130 have been signed by every significant discharger and eligible nonsignificant discharger and available funds are sufficient to implement the 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 and Appropriations 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.

§ 10.1-2128.1. Virginia Natural Resources Commitment Fund established.

A. There is hereby created in the state treasury a special nonreverting fund to be known as the Virginia Natural Resources Commitment Fund hereafter referred to as "the Subfund," which shall be a subfund of the Virginia Water Quality Improvement Fund and administered by the Department of Conservation and Recreation. The Subfund shall be established on the books of the Comptroller. All amounts appropriated and such other funds as may be made available to the Subfund from any other source, public or private, shall be paid into the state treasury and credited to the Subfund. Interest earned on moneys in the Subfund shall remain in the Subfund and be credited to it. Any moneys remaining in the Subfund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Subfund. Moneys in the Subfund shall be used as provided in subsection B solely for the Virginia Agricultural Best Management Practices Cost-Share Program administered by the Department of Conservation and Recreation.

B. ~~Beginning on July 1, 2008, and continuing in each subsequent fiscal year until July 1, 2018, out~~ Out of such amounts as may be appropriated and deposited to the Subfund, distributions shall be made in each fiscal year for the following purposes:

1. ~~Eight~~ At least 15 percent of the total amount distributed to the Virginia Agricultural Best Management Practices Cost-Share Program shall be distributed to soil and water conservation districts to provide technical assistance for the implementation of such agricultural best management practices. *If an appropriation is made from the general fund in any year to meet the identified need for technical assistance, this percentage may be reduced and those moneys from such reduction may be utilized for the Virginia Agricultural Best Management Practices Cost-Share Program.* Each soil and water conservation district in the Commonwealth shall receive a share according to a method employed by the Director of the Department of Conservation and Recreation in consultation with the Virginia Soil and Water Conservation Board, that accounts for the percentage of the available agricultural best management practices funding that will be received by the district from the Subfund;

2. ~~Fifty-five~~ a. Until July 1, 2028, 59.5 percent of the total amount distributed to the Virginia Agricultural Best Management Practices Cost-Share Program shall be used for matching grants for agricultural best management practices on lands in the Commonwealth exclusively or partly within the Chesapeake Bay watershed; and

b. On or after July 1, 2028, 51 percent of the total amount distributed to the Virginia Agricultural Best Management Practices Cost-Share Program shall be used for matching grants for agricultural best management practices on lands in the Commonwealth exclusively or partly within the Chesapeake Bay watershed; and

3. ~~Thirty-seven~~ a. Until July 1, 2028, 25.5 percent of the total amount distributed to the Virginia Agricultural Best Management Practices Cost-Share Program shall be used for matching grants for agricultural best management practices on lands in the Commonwealth exclusively outside of the Chesapeake Bay watershed; and

b. On or after July 1, 2028, 34 percent of the total amount distributed to the Virginia Agricultural Best Management Practices Cost-Share Program shall be used for matching grants for agricultural best management practices on lands in the Commonwealth exclusively outside of the Chesapeake Bay watershed.

In any fiscal year, any funds distributed to the Virginia Agricultural Best Management Practices Cost-Share Program for the purpose of matching grants for agricultural best management practices on lands in the Commonwealth that cannot be obligated or are not used due to a cancelled contract by a grant recipient during such fiscal year, regardless of whether such lands are within or outside of the Chesapeake Bay watershed, may be reappropriated by the Virginia Soil and Water Conservation Board to any soil and water conservation district with pending documented requests.

C. The Department of Conservation and Recreation, in consultation with stakeholders, including representatives of the agricultural community, the conservation community, and the Soil and Water Conservation Districts, shall determine an annual funding amount for effective Soil and Water Conservation

120 District technical assistance and implementation of agricultural best management practices pursuant to §
121 10.1-546.1. Pursuant to § 2.2-1504, the Department shall provide to the Governor the annual funding amount
122 needed for each year of the ensuing biennial period. The Department shall include the annual funding amount
123 as part of the reporting requirements in § 62.1-44.118.

INTRODUCED

SB958