

2017 Regular Session

HOUSE BILL NO. 423

BY REPRESENTATIVE LEOPOLD

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

ENVIRONMENT/WATER: Authorizes the secretary of the Louisiana Department of Environmental Quality to establish and administer a water quality trading program

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AN ACT

To amend and reenact R.S. 30:2074(B)(9)(a) and (b) and to repeal R.S. 30:2074(B)(9)(c) through (e), relative to water quality; to provide for the powers and duties of the secretary of the Department of Environmental Quality; to provide for the establishment and administration of a water quality trading program; to provide for certain criteria for credits; to provide for limitations on use of credits; to provide for records; to provide for a pilot or demonstration program; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 30:2074(B)(9)(a) and (b) are hereby amended and reenacted to read as follows:

§2074. Water quality control; secretary of environmental quality; powers and duties

\* \* \*

B. The secretary shall have the following powers and duties:

\* \* \*

(9)(a) To adopt and promulgate regulations necessary to establish and administer a ~~point source to point source effluent reduction credit banking system~~ for the state's watersheds where Total Maximum Daily Load limitations are in place water quality trading program as an inducement to reduce discharges of pollutants into waters of the state. This water quality trading program may include point source



- 1 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
2 effective on the day following such approval.
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## DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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HB 423 Engrossed

2017 Regular Session

Leopold

**Abstract:** Authorizes the secretary of the Department of Environmental Quality to establish and administer a water quality trading program.

Present law authorizes the secretary of Dept. of Environmental Quality to adopt and promulgate rules and regulations that implement a point source to point source effluent reduction credit banking system in watersheds where the department has implemented Total Maximum Daily Load limitations.

Proposed law removes authority of the current banking program and authorizes the secretary to adopt and promulgate rules and regulations that implement a water quality trading program that may include point source and nonpoint source participation.

Proposed law requires the regulations of the program provide for criteria for earning, quantifying, and validating credits; the geographical limitations on the use of credits; monitoring, use, banking, term, enforcement, and sale of credits; required approvals of the department relating to credits; recordkeeping; and compliance with federal and state laws and regulations.

Proposed law authorizes a pilot or demonstration project to aid in the development of a water quality trading program prior to the adoption of regulations authorized by proposed law.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 30:2074(B)(9)(a) and (b); Repeals R.S. 30:2074(B)(9)(c)-(e))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Natural Resources and Environment to the original bill:

1. Change matters the regulations must provide for from the life of banked credits to the term of the banked credits.
2. Clarify that nonpoint sources may participate in the program by written agreement between the department and the governmental entity with jurisdiction over the nonpoint source.
3. Make technical changes.