HLS 17RS-1120 ENGROSSED

2017 Regular Session

HOUSE BILL NO. 423

1

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

AN ACT

2	To amend and reenact R.S. 30:2074(B)(9)(a) and (b) and to repeal R.S. 30:2074(B)(9)(c)
3	through (e), relative to water quality; to provide for the powers and duties of the
4	secretary of the Department of Environmental Quality; to provide for the
5	establishment and administration of a water quality trading program; to provide for
6	certain criteria for credits; to provide for limitations on use of credits; to provide for
7	records; to provide for a pilot or demonstration program; and to provide for related
8	matters.
9	Be it enacted by the Legislature of Louisiana:
10	Section 1. R.S. 30:2074(B)(9)(a) and (b) are hereby amended and reenacted to read
11	as follows:
12	§2074. Water quality control; secretary of environmental quality; powers and duties
13	* * *
14	B. The secretary shall have the following powers and duties:
15	* * *
16	(9)(a) To adopt and promulgate regulations necessary to establish and
17	administer a point source to point source effluent reduction credit banking system
18	for the state's watersheds where Total Maximum Daily Load limitations are in place
19	water quality trading program as an inducement to reduce discharges of pollutants
20	into waters of the state. This water quality trading program may include point source

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CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

1	and nonpoint source participation. Nonpoint sources may participate in the program
2	through a written agreement between the department and the appropriate
3	governmental entity with jurisdiction over the nonpoint source, or other written
4	agreement with the department. Such regulations shall include, at a minimum, the
5	following:
6	(a) Provision for the administration of the banking system.
7	(i) Criteria under which credits may be earned, quantified, and validated.
8	(ii) Geographical limitations on the use of credits as offsets, where
9	applicable.
10	(iii) Criteria for the monitoring, use, banking, term, enforcement, and sale
11	of banked credits.
12	(iv) The approval of the department for the earning, use, banking, and sale
13	of banked credits.
14	(v) Requirements for the maintenance and submission of records concerning
15	monitoring of pollutant levels, credit offset amounts, and banked credits.
16	(vi) Any other requirements needed to comply with federal and state laws and
17	regulations.
18	(b) Limit trading of credits to trading within the same watershed in which the
19	credits are earned. A pilot or demonstration project may be used to aid in the
20	development of a water quality trading program prior to the adoption of regulations
21	promulgated pursuant to Subparagraph (a) of this Paragraph. Any such project shall
22	be conducted in accordance with the terms and conditions of an implementation plan
23	approved by the department.
24	* * *
25	Section 2. R.S. 30:2074(B)(9)(c) through (e) are hereby repealed in their entirety.
26	Section 3. This Act shall become effective upon signature by the governor or, if not
27	signed by the governor, upon expiration of the time for bills to become law without signature
28	by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If

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

## **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)]

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.

<u>Present law</u> 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.

<u>Proposed law</u> 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.

<u>Proposed law</u> 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.

<u>Proposed law</u> 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 <u>House Committee on Natural Resources and Environment</u> to the <u>original</u> bill:

- 1. Change matters the regulations must provide for <u>from</u> 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.