



Legislative Ideas That Worked

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Virginia

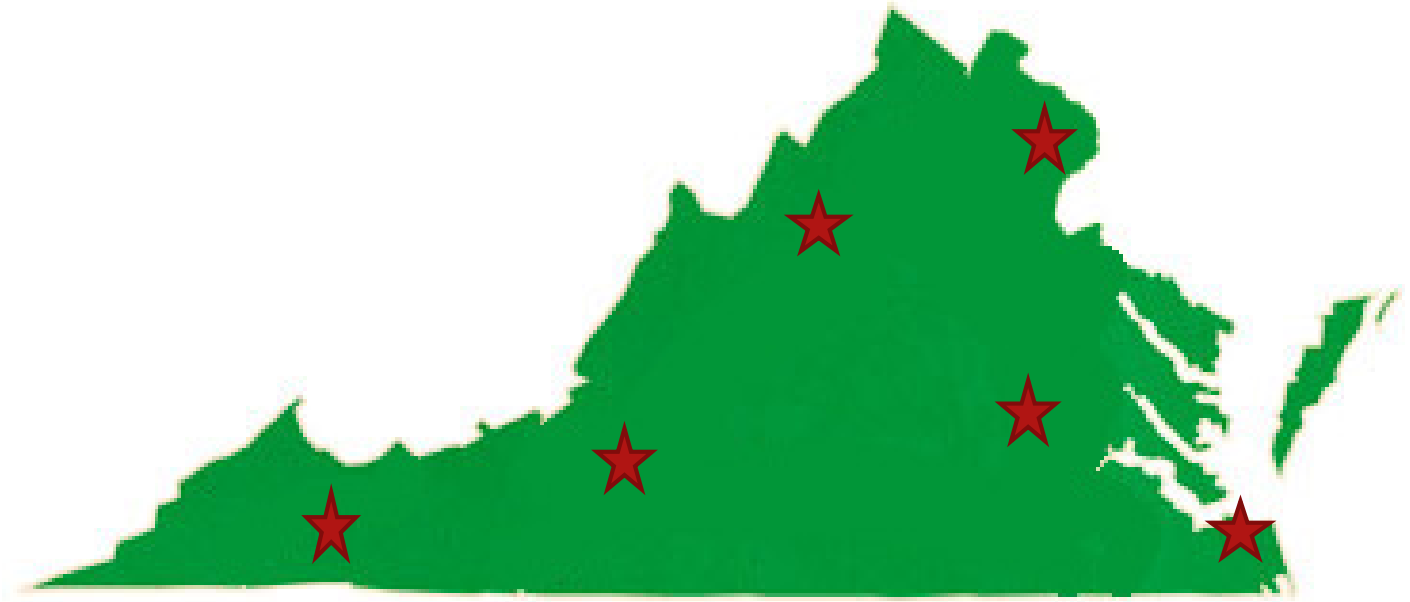
Water Quality Improvement Fund

- **Joint Commission on the Future of Virginia's Environment created in 1996**
- **Directed to study:**
 - **History of environmental and natural resource programs**
 - **Budgetary trends**
 - **Develop a long-term plan for the future**
 - **Consider innovative approaches from other states**

Virginia

Water Quality Improvement Fund

► 1996 listening tour



Virginia

Water Quality Improvement Fund

▶ Listening tour findings:

- ▶ Water quality was the most frequent concern cited by the public
- ▶ Improvement and maintenance of water quality should be a priority throughout the Commonwealth
- ▶ Both point and nonpoint source pollution should be addressed
- ▶ All levels of government, citizens and sectors have a responsibility to restore and protect our waters
- ▶ Water quality is vital for human consumption, wildlife, habitat, aesthetics, recreation and economic development

Virginia

Water Quality Improvement Fund

- ▶ **Research findings:**
 - ▶ **Natural resource funding accounted for less than one percent of Virginia's general fund budget**
 - ▶ **Found to be inappropriately small given the citizen feedback received as well as the health and economic benefits of healthy natural resources**
 - ▶ **North Carolina Clean Water Management Trust Fund**

Virginia

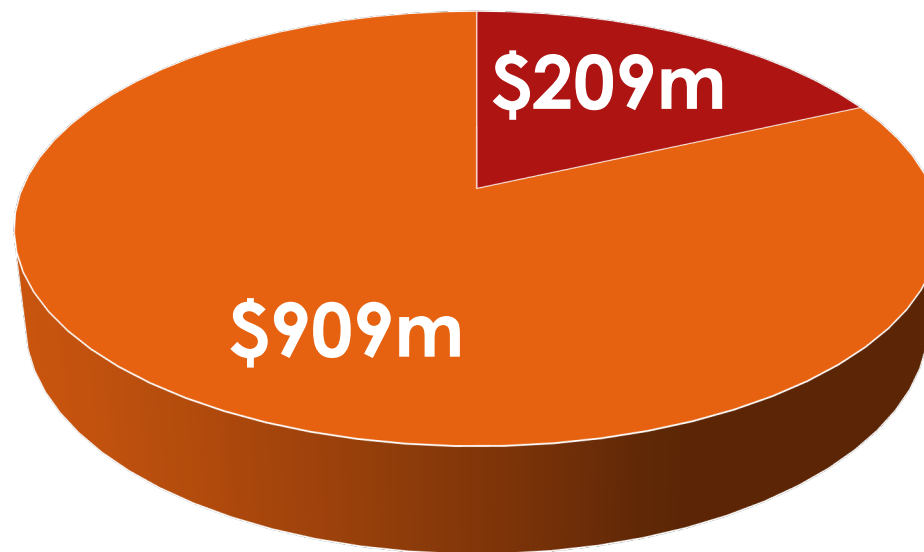
Water Quality Improvement Fund

- ▶ **1997 Water Quality Improvement Act**
 - ▶ Cooperative grants to restore and improve the quality of state waters
 - ▶ Point and nonpoint programs
 - ▶ Nonpoint source pollution water quality assessment
 - ▶ Funded through annual general fund revenue collections in excess of the official estimate in the general appropriation act (Part A) and the total amount of the unrestricted and uncommitted general fund balance whose reappropriation is not required in the general appropriation act at the close of the previous fiscal year (Part B)
 - ▶ Match is required for all grants

Virginia

Water Quality Improvement Fund

Deposits, FY1998-2020

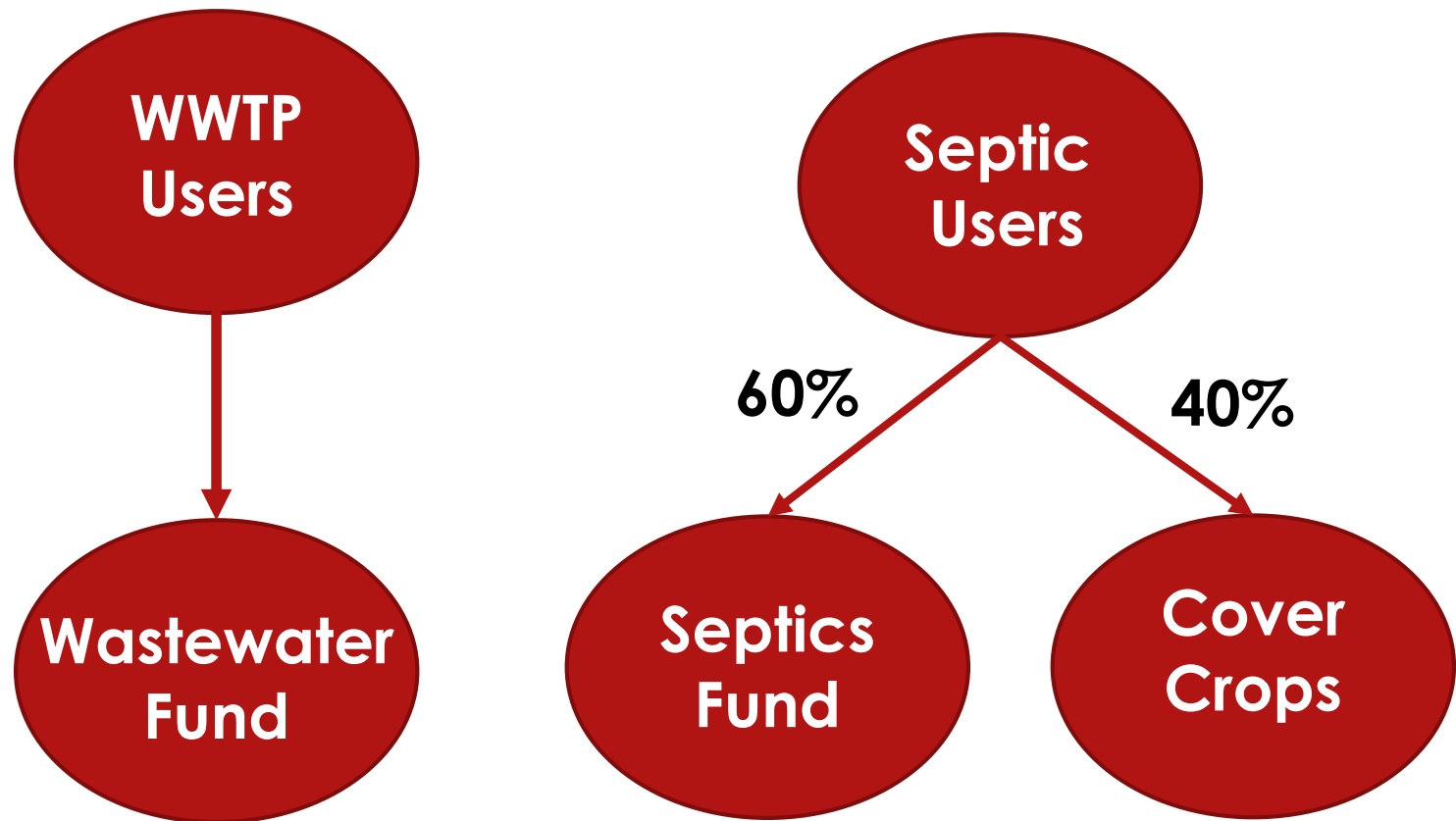


■ Nonpoint ■ Point

Maryland Bay Restoration Fund

- **First established in 2004**
- **Administration (Gov. Ehrlich) proposal**
- **Purpose: Create dedicated fund, financed by WWTP and septic users to:**
 - **1) upgrade WWTPs to ENR technology**
 - **2) upgrade failing septic systems**
 - **3) plant cover crops**
- **\$30/year in general for residential users**

Maryland Bay Restoration Fund



Maryland Bay Restoration Fund

Program Features:

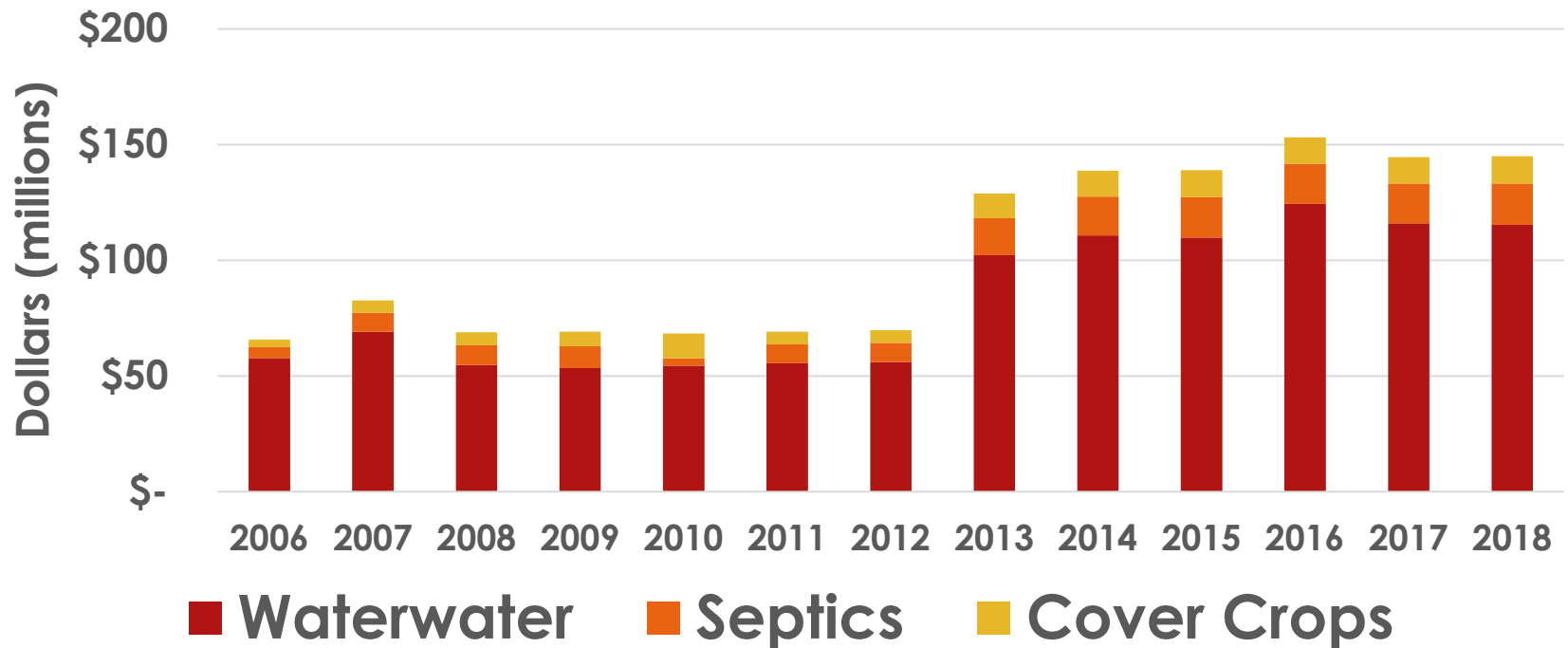
- **Priority = Upgrades to large (500K+ gallons/day) WWTPs to ENR**
- **Up to 100% grant funding to managing authorities.**
- **Set aside for O&M costs of upgraded facilities**
- **Can issue bonds based on revenue stream**
- **Adm costs not to exceed 1.5%/year**
- **Fee collected by local water/wastewater utility – they too can recover adm costs**

Maryland Bay Restoration Fund

- **2008 – “Community” septic systems eligible**
- **2011 – Allows funding of septic connect to WWTP**
- **2012 – Increased fee to \$60/year (2030 sunset)**
- **2014 – Allows up to 10% of Wastewater Account to be used for O&M**
- **2015 – Allows funding for CSO abatement and reorders priorities for BRF uses**
- **2017 – Alters definition of “eligible costs” for BRF upgrades to WWTPs**
- **2017 – Creates pilot program for outright purchase of load reductions (2021 sunset)**

Maryland Bay Restoration Fund

BRF Revenues



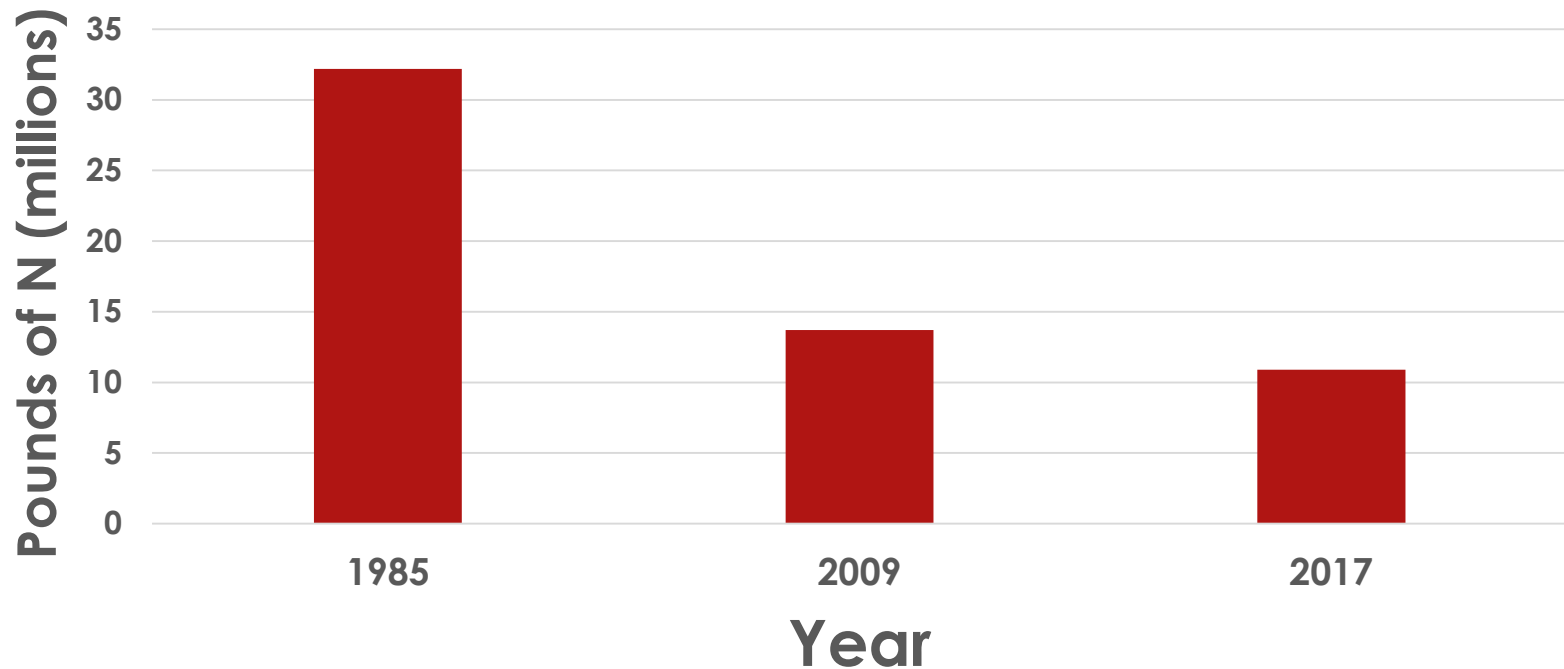
Maryland Bay Restoration Fund

Results (conversion to ENR):

- **67 major (500K+ gallons/day) WWTPs:**
 - **63 in operation**
 - **3 under construction**
 - **1 in planning**
- **23 minor WWTPs:**
 - **9 in operation**
 - **5 in construction**
 - **2 in design**
 - **7 in planning**

Maryland Bay Restoration Fund

MD Nitrogen Loads from Wastewater



Pennsylvania

Resource Enhancement and Protection (REAP) Program

➤ **Proposed in 2006**

➤ **Key players**

- **“Fair Share Coalition”**
 - PA Builders Association
 - PA Municipal Authorities Association
 - PA Association of Conservation Districts
 - PA Farm Bureau
 - Chesapeake Bay Foundation
- **Legislative Champions**
 - Representative Stern
 - Senator Wenger
 - Senator Armstrong
- **Governor Rendell**

➤ **Enacted in 2007**

Pennsylvania

Resource Enhancement and Protection (REAP) Program

- **Transferable tax credits for Ag BMPs**
 - **Covers % of out-of-pocket costs**
 - **75% of Plans, ACAs, 50' buffers**
 - **50% of most other BMPs, equipment, 35' buffers**
 - **25% of legacy sediment remediation**
- **\$10 M/year**
- **First-Come, First-Serve**

Pennsylvania

Resource Enhancement and Protection (REAP) Program

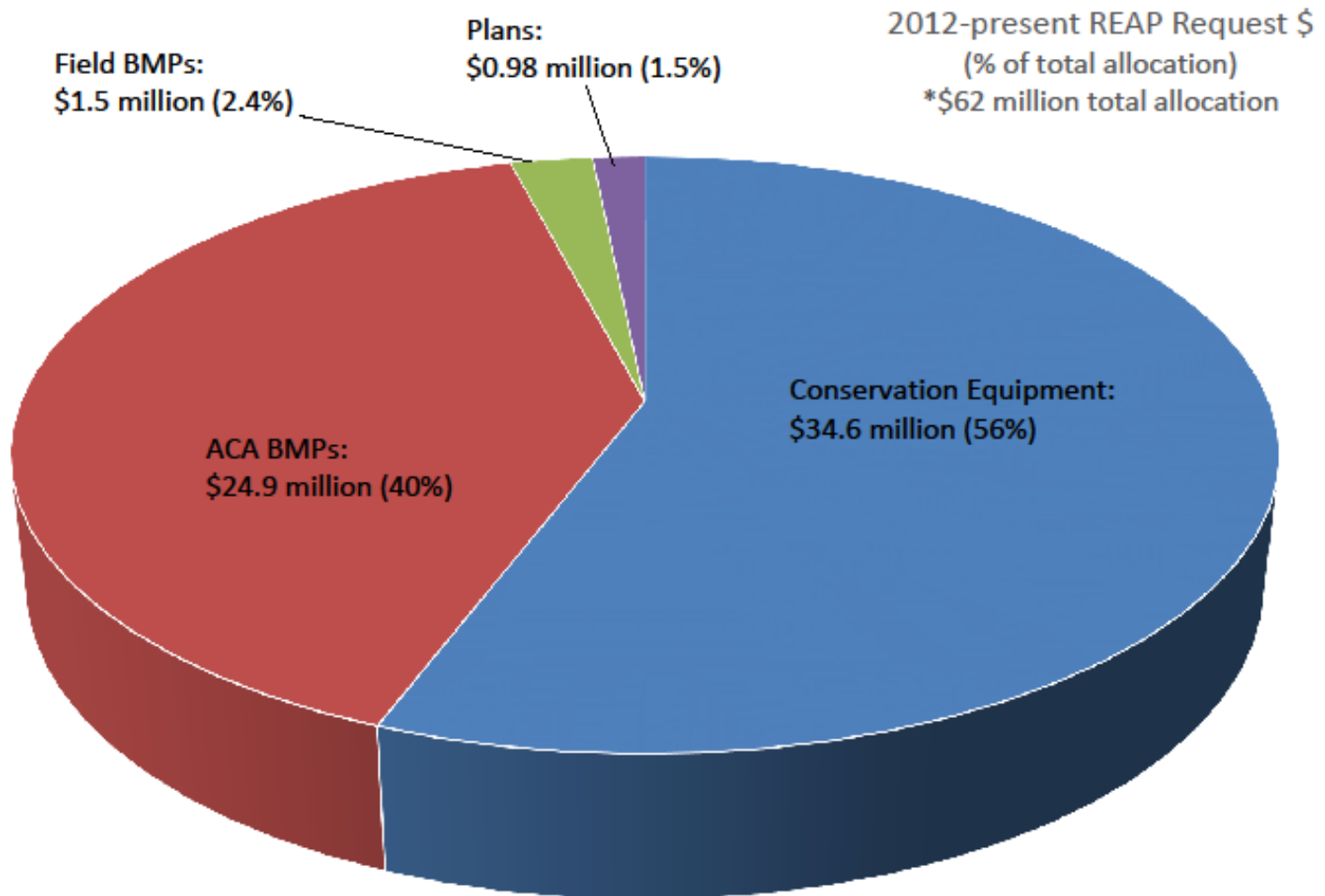
➤ Conditions:

- Compliance with Required Plans and Implementation Schedule
- Fully Address Animal Concentration Areas

➤ Limitations:

- \$150,000/operation/life
- Credit life = 15 years
- Purchasers of credits cannot offset more than 75% of tax liability, must use in year purchased

Pennsylvania Resource Enhancement and Protection (REAP) Program



Pennsylvania Resource Enhancement and Protection (REAP) Program

➤ Strengths:

- Tax credit, not “government payment”
- Leverages other programs
- Transferable/Sponsorable
- SCC has discretion over 50%-level BMPs
- First-Come, First-Serve means quick turnaround

➤ Future Considerations:

- Increase lifetime cap?
- Increase annual credits?
- Expand sponsorships?