

**ACT No. 371**

2017 Regular Session

HOUSE BILL NO. 423

BY REPRESENTATIVE LEOPOLD

1 AN ACT

2 To amend and reenact R.S. 30:2074(B)(9)(a), (b), and (c) and to repeal R.S.  
3 30:2074(B)(9)(d) and (e), relative to water quality; to provide for the powers and  
4 duties of the secretary of the Department of Environmental Quality; to provide for  
5 the establishment and administration of a water quality trading program; to provide  
6 for certain criteria for credits; to provide for limitations on use of credits; to provide  
7 for records; to provide for a pilot program; to provide for legislative oversight; and  
8 to provide for related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 30:2074(B)(9)(a), (b), and (c) are hereby amended and reenacted to  
11 read 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  
21 and nonpoint source participation. Nonpoint sources may participate in the program  
22 through a written agreement between the department and the appropriate

1 governmental entity with jurisdiction over the nonpoint source, or other written  
 2 agreement with the department. Such regulations shall include, at a minimum, the  
 3 following:

4 ~~(a) Provision for the administration of the banking system.~~

5 (i) Criteria under which credits may be certified, generated, quantified, and  
 6 validated.

7 (ii) Geographical limitations on the use of credits, where applicable.

8 (iii) Criteria for the monitoring, certifying, generating, use, banking, term,  
 9 enforcement, and sale of banked credits.

10 (iv) The approval of the department for the certifying, generating, use,  
 11 banking, and sale of banked credits.

12 (v) Requirements for the maintenance and submission of records concerning  
 13 monitoring of pollutant levels, credit offset amounts, and banked credits.

14 (vi) Any other requirements needed to comply with federal and state laws and  
 15 regulations.

16 ~~(b) Limit trading of credits to trading within the same watershed in which the~~  
 17 ~~credits are earned.~~ A pilot project may be used to aid in the development of a water  
 18 quality trading program prior to the adoption of regulations promulgated pursuant  
 19 to Subparagraph (a) of this Paragraph. Any such project shall be conducted in  
 20 accordance with the terms and conditions of an implementation plan approved by the  
 21 department.

22 ~~(c) Credits shall be pollutant specific, and credits may only be traded for that~~  
 23 ~~pollutant on days when constituent testing is conducted, unless other creditable~~  
 24 ~~pollutants are approved by the department.~~ In addition to the review of agency rules  
 25 provided for in R.S. 49:968, all reports of rules and regulations implementing the  
 26 provisions of this Paragraph shall also be submitted to the House Committee on  
 27 Agriculture, Forestry, Aquaculture and Rural Development and the Senate  
 28 Committee on Agriculture, Forestry, Aquaculture and Rural Development for  
 29 oversight in accordance with the procedures provided for in R.S. 49:968.

30 \* \* \*

1           Section 2. R.S. 30:2074(B)(9)(d) and (e) are hereby repealed in their entirety.

2           Section 3. This Act shall become effective upon signature by the governor or, if not  
3 signed by the governor, upon expiration of the time for bills to become law without signature  
4 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
5 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
6 effective on the day following such approval.

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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PRESIDENT OF THE SENATE

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GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_