

By Senator Hays

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1 A bill to be entitled
2 An act relating to the trading of water quality
3 credits; amending s. 403.067, F.S.; providing that
4 state policy is to encourage a water quality credit
5 trading program through public-private partnerships;
6 expanding an existing water quality credit trading
7 pilot program in the Lower St. Johns River Basin to
8 include the Caloosahatchee, St. Lucie, and Lake
9 Okeechobee Basins; requiring the South Florida Water
10 Management District to define the basins; requiring
11 that the water management district coordinate with the
12 Department of Environmental Protection to establish
13 public-private partnerships for the development of
14 water quality enhancement projects and trading
15 programs in the designated basins; removing references
16 to the Lower St. Johns River Basin pilot project;
17 requiring the department to amend its rules; deleting
18 a reporting requirement relating to the effectiveness
19 of the Lower St. Johns River Basin pilot project;
20 providing an effective date.

21
22 Be It Enacted by the Legislature of the State of Florida:

23
24 Section 1. Present paragraphs (a) through (g) of subsection
25 (8) of section 403.067, Florida Statutes, are redesignated as
26 paragraphs (b) through (h), respectively, a new paragraph (a) is
27 added to that subsection, and subsection (10) of that section is
28 amended, to read:

29 403.067 Establishment and implementation of total maximum

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30 daily loads.-

31 (8) WATER QUALITY CREDIT TRADING.-

32 (a) It is the policy of this state to encourage a robust
33 water quality credit trading program through public-private
34 partnerships because the trading of water quality credits can
35 lead to increased environmental benefits at reduced costs to the
36 state.

37 (10) PILOT PROGRAMS.-Water quality credit trading shall be
38 limited to the Lower St. Johns River Basin, the Caloosahatchee
39 Basin, the St. Lucie Basin, and the Lake Okeechobee Basin. The
40 Caloosahatchee, St. Lucie, and Lake Okeechobee Basins shall be
41 defined by the South Florida Water Management District. The
42 South Florida Water Management District shall coordinate with
43 the department to establish public-private partnerships for the
44 development of water quality enhancement projects and water
45 quality trading programs for such projects in the designated
46 basins. as defined by the department, as a pilot project. The
47 department may authorize water quality credit trading and
48 establish specific requirements for trading in the adopted basin
49 management action plan for the Lower St. Johns River Basin prior
50 to the adoption of rules under paragraph (9) (c) in order to
51 effectively implement the pilot project. Entities that
52 participate in water quality credit trades shall timely report
53 to the department the prices for credits, how the prices were
54 determined, and any state funding received for the facilities or
55 activities that generated the credits. The department may shall
56 not participate in the establishment of credit prices. The
57 department shall amend the rules adopted pursuant to paragraph
58 (9) (c) to implement pilot programs for the Caloosahatchee, St.

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59 Lucie, and Lake Okeechobee Basins. ~~No later than 24 months after~~
60 ~~adoption of the basin management action plan for the Lower St.~~
61 ~~Johns River, the department shall submit a report to the~~
62 ~~Governor, the President of the Senate, and the Speaker of the~~
63 ~~House of Representatives on the effectiveness of the pilot~~
64 ~~project, including the following information:~~

65 (a) ~~A summary of how water quality credit trading was~~
66 ~~implemented, including the number of pounds of pollutants~~
67 ~~traded.~~

68 (b) ~~A description of the individual trades and estimated~~
69 ~~pollutant load reductions that are expected to result from each~~
70 ~~trade.~~

71 (c) ~~A description of any conditions placed on trades.~~

72 (d) ~~Prices associated with the trades, as reported by the~~
73 ~~traders.~~

74 (e) ~~A recommendation as to whether other areas of the state~~
75 ~~would benefit from water quality credit trading and, if so, an~~
76 ~~identification of the statutory changes necessary to expand the~~
77 ~~scope of trading.~~

78 Section 2. This act shall take effect July 1, 2012.