

THE WATER RESOURCE ACT

House Bill 2114

June 6, 2016

About the Water Resource Act

The PA Water Resource Act, House Bill 2114, would include a fee to allow the Commonwealth to make certain that water resources are available for present and future use and guarantee revenue necessary to fund clean water projects and programs from a dedicated, recurring source.

Based on current consumption rates, the legislation is estimated to generate approximately \$245 million annually.

The Pennsylvania Department of Environmental Protection already requires reporting water withdrawals exceeding 10,000 gallons per day in any 30 day period so no new reporting requirements would be necessary.

How much is the fee?

The bill would implement the following fees on withdrawals greater than 10,000 gallons per day for non-agricultural and non-municipal uses:

- 1/100th of a cent per gallon for water withdrawn and returned to the water source
- 1/10th of a cent per gallon for water withdrawn and NOT returned to the water source

Water sources that currently charge a withdrawal fee would be deducted from the water resource fee owed by a consumer.

How would the funds be dispersed?

The first \$60 million generated annually would be dispersed to water-related programs and general government operations at the:

- Department of Environmental Protection: \$30 million
- Department of Conservation and Natural Resources: \$25 million
- Fish and Boat Commission: \$5 million

Remaining dollars would be dedicated to water-related projects proportionally within the six major watersheds in Pennsylvania (Delaware, Susquehanna, Ohio, Potomac, Erie and Genesee) from where the fees were generated.

The legislation also includes an option to use remaining funds to pay debt service on a \$3 billion bond issue for environmental projects, subject to a ballot referendum.

Visit www.pahouse.com/Sturla to follow the progress of this legislation.

“Pennsylvania’s public natural resources are the common property of all the people, including generations yet to come. As trustee of these resources, the Commonwealth shall conserve and maintain them for the benefit of all the people.”

- Article I Section 7, Pennsylvania Constitution

Over 5.9 billion gallons of water are reported as used every day.

Approximately 1.5 billion gallons would be exempt for agricultural and municipal water uses.

The remaining 4.4 billion gallons would be subject to the Water Resource Fee within the bill.

SOURCE: Pa. Department of Environmental Protection

The average American uses 100 gallons of water per day.



100 DAYS OF WATER USE BY AN INDIVIDUAL

10,000 GALLONS



**THE POINT AT WHICH WATER WITHDRAWALS WILL BE
CHARGED UNDER H.B. 2114**

10,000 GALLONS

Withdrawals in excess of 10,000 gallons would be subject to the Water Resource Fee.

Rep. Mike Sturla

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THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2114 Session of
2015

INTRODUCED BY STURLA, EVERETT, HANNA, FRANKEL, THOMAS, O'BRIEN,
COHEN, ROZZI, McNEILL, McCARTER, YOUNGBLOOD AND PASHINSKI,
JUNE 27, 2016

REFERRED TO COMMITTEE ON CONSUMER AFFAIRS, JUNE 27, 2016

AN ACT

1 Providing for registration of extraordinary nonagriculture and
2 nonmunicipal water users; imposing a water resource fee;
3 establishing the Water Use Fund; and providing for submission
4 of a question to the electorate authorizing incurring of
5 indebtedness for water-related environmental initiatives.

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5 The General Assembly of the Commonwealth of Pennsylvania
6 hereby enacts as follows:

7 CHAPTER 1

8 PRELIMINARY PROVISIONS

9 Section 101. Short title.

10 This act shall be known and may be cited as the Pennsylvania
11 Water Resource Act.

12 Section 102. Definitions.

13 The following words and phrases when used in this act shall
14 have the meanings given to them in this section unless the
15 context clearly indicates otherwise:

16 "Consume." Remove water from the waters of this Commonwealth
17 and not return it to the natural source.

18 "Department." The Department of Environmental Protection of
19 the Commonwealth.

20 "Extraordinary water user." A person that withdraws more
21 than 10,000 gallons of water a day from the waters of this
22 Commonwealth for the purpose of for-profit business. The term
23 does not include withdrawals made by a community water system or
24 a noncommunity water system regulated by the department under
25 the act of May 1, 1984 (P.L.206, No.43), known as the
26 Pennsylvania Safe Drinking Water Act.

27 "Groundwater or surface water source." A river, stream,
28 brook, lake, body of water or aquifer located in this
29 Commonwealth.

30 "Returned." Put back water into the waters of this

1 Commonwealth, whether the water is diminished in quality or not.
2 "Watersheds." The Delaware, Erie, Ohio, Potomac, Susquehanna
3 and Genesee watersheds.

4 "Withdraw" or "withdrawal." The removal, diversion or taking
5 of water from a groundwater or surface water source.

6 Section 103. Scope.

7 This act applies to extraordinary nonagricultural and
8 nonmunicipal water withdrawals by for-profit businesses.

9 CHAPTER 3

10 WATER RESOURCE PROTECTION

11 Section 301. Registration.

12 (a) General rule.--No extraordinary water user may withdraw
13 water from any groundwater or surface water source for a
14 nonagricultural or nonmunicipal purpose without filing a
15 registration document with the department.

16 (b) Registration document.--The registration document shall
17 be submitted on a form prepared by the department and shall set
18 forth all of the following:

19 (1) The name and mailing address of the applicant.

20 (2) The name, if any, and location of the water source.

21 (3) The type of water source.

22 (4) The point in the water source from which the user
23 proposes to withdraw the water.

24 (5) The name, location and acreage of the lands or other
25 application for which the water is to be withdrawn.

26 (6) The location and description of the water well,
27 canal, tunnel or piping and other works or equipment through
28 which the water is to be withdrawn.

29 (7) The amount, in gallons, of water withdrawn on an
30 average day of operation during the preceding year and the

number of days during the preceding year when water was withdrawn.

(8) The total amount, in gallons, of water estimated to be withdrawn and the periods of time when the withdrawal is scheduled during the current year.

(9) The location, means and expected condition of any water returned to the waterways of this Commonwealth.

Section 302. Water resource fee.

(a) Fee.--An extraordinary water user shall pay to the Commonwealth the following fees:

(1) for water withdrawn and subsequently returned to the water source, a water resource fee of \$0.0001 per gallon for water withdrawals greater than 10,000 gallons per day for nonagricultural or nonmunicipal purposes; and

(2) for water withdrawn and consumed, a water resource fee of \$0.001 per gallon for water consumption greater than 10,000 gallons per day for nonagricultural or nonmunicipal purposes.

(b) Water consumption calculation.--For purposes of calculating the fee under subsection (a)(2), the following apply:

(1) for those extraordinary water users that measure water use by meter, the difference between the values of daily withdrawn water and daily returned water shall be reported as the amount consumed; and

(2) for those extraordinary water users that do not measure metered withdrawn and returned water, or due to evaporation or method of use find it impossible to accurately measure water consumed, the amount consumed shall be based on the department's consumptive use coefficients. The department

1 shall determine which extraordinary water users are subject
2 to this paragraph and shall develop coefficients for those
3 users.

4 (c) Coordination with other fees.--The fees, if any, paid by
5 an extraordinary water user under the act of July 7, 1961
6 (P.L.518, No.268), known as the Delaware River Basin Compact,
7 and the act of July 17, 1968 (P.L.368, No.181), referred to as
8 the Susquehanna River Basin Compact Law, to the Susquehanna
9 River Basin Commission or the Delaware River Basin Commission,
10 at the rates set on the effective date of this act, shall be
11 subtracted from fees owed under this section.

12 Section 303. Distribution of water resource fees.

13 (a) Establishment of Water Use Fund.--The Water Use Fund is
14 established in the State Treasury.

15 (b) Distribution.--The fees collected under section 302
16 shall be paid into the fund. The fund shall be distributed as
17 follows:

18 (1) \$30 million to the department for water-related
19 programs and activities with any remainder for general
20 government operations.

21 (2) \$25 million to the Department of Conservation and
22 Natural Resources for water-related programs and activities
23 with any remainder for general government operations.

24 (3) \$5 million to the Pennsylvania Fish and Boat
25 Commission for water-related programs and activities with any
26 remainder for general government operations.

27 The fund may be used to service the debt for any bonds issued
28 under Chapter 5. Any remainder in the fund shall be distributed
29 pursuant to section 505.

30 CHAPTER 5

WATERSHED PROTECTION BONDS

Section 501. Authorization to incur indebtedness.

Pursuant to the provisions of section 7(a)(3) of Article VIII of the Constitution of Pennsylvania, the department may submit the question of a bond issuance in the amount of \$3,000,000,000 for the protection of watersheds, water resources, water environments, fresh water sources, the furthering of water conservation and other water-related environmental initiatives to the electors at the next election in the year that the department decides to issue bonds.

Section 502. Certification.

The Secretary of the Commonwealth shall certify the question to the county board of elections.

Section 503. Question to electorate.

The question shall be in the following form:

Do you favor authorizing the Commonwealth to incur an indebtedness of up to \$3,000,000,000, to be repaid using funds generated under the act of (P.L. , No.), known as the Pennsylvania Water Resource Act, for the issuance of bonds for the maintenance and protection of watersheds, water resources, the furthering of water conservation and other water-related environmental initiatives?

Section 504. Election procedure.

The election shall be conducted in accordance with the act of June 3, 1937 (P.L.1333, No.320), known as the Pennsylvania Election Code, except that:

(1) any requirements for advertising or notice related to the question are hereby waived;

(2) the requirements for a statement pursuant to section

201.1 of the Pennsylvania Election Code are hereby waived;

and

(3) any authority of the Secretary of the Commonwealth
to determine the form of the question is hereby abrogated.

Section 505. Use of proceeds.

Proceeds of the borrowing, and any remainder in the fund
under section 303(b), shall be used for the maintenance and the
protection of watersheds, water resources, water environments,
fresh water sources, the furthering of water conservation and
other water-related environmental initiatives and shall be
allocated to the watersheds named in this act based on the
percent of fees generated under section 302 in each watershed
respectively.

CHAPTER 7

MISCELLANEOUS PROVISIONS

Section 701. Regulations.

The department shall promulgate rules and regulations as
needed to administer and enforce this act.

Section 702. Effective date.

This act shall take effect in 60 days.