

1 S.134

2 Introduced by Senators Lyons and Starr

3 Referred to Committee on

4 Date:

5 Subject: Conservation and development; finance; water resources; water
6 quality

7 Statement of purpose of bill as introduced: This bill proposes to establish a
8 Clean Water Legacy Fund to finance water quality improvement within the
9 State of Vermont. The bill would assess a fee per calendar year on every
10 parcel in the State based on the size of the parcel. The collected fees would be
11 deposited in the Clean Water Legacy Fund to provide loans and grants for
12 programs or projects designed to improve water quality in the State.

13 An act relating to water quality improvement

14 It is hereby enacted by the General Assembly of the State of Vermont:

15 Sec. 1. 32 V.S.A. chapter 245 is added to read:

16 CHAPTER 245. CLEAN WATER LEGACY FUND

17 § 10501. DEFINITIONS

18 As used in this chapter:

19 (1) "Agricultural land" means real property used for farming.

20 (2) "Commissioner" means the Commissioner of Taxes.

1 (3) "Farming" shall have the same meaning as in 10 V.S.A. § 6001.

2 (4) "Parcel" means all contiguous land in the same ownership, together
3 with all improvements thereon;

4 § 10502. CLEAN WATER LEGACY FEE

5 (a) Per parcel fee.

6 (1) The Commissioner shall assess a per parcel fee per calendar year on
7 every parcel in the State as follows:

8 (A) \$30.00 for parcels between one half acre and 10 acres in size;

9 (B) \$50.00 for parcels of more than 10 acres up to 100 acres;

10 (C) \$70.00 for parcels of more than 100 acres up to 500 acres; and

11 (D) \$100.00 for parcels of more than 500 acres.

12 (2) The fees assessed under this subsection shall apply to:

13 (A) a parcel exempt from taxation under 3802 of this title; and

14 (B) agricultural land, regardless of whether the parcel is enrolled in
15 the use value appraisal program under chapter 124 of this title.

16 (b) Exemption. The Commissioner shall not assess the fee established
17 under subsection (a) of this section to property within the limits of a railroad
18 track right-of-way, provided that the Commissioner shall assess the fee on
19 property on which railroad stations, maintenance buildings, or other developed
20 land used for railroad purposes is located.

1 (c) Maximum fee. The maximum fee assessed under this section on any
2 one person shall be \$500.00 per calendar year.

3 (d) Credits. The Commissioner shall reduce the fee assessed under this
4 section by the annual amount of a municipal stormwater fee paid by a parcel
5 owner.

6 (e) Period of assessment and payment. The fee established under
7 subsection (a) of this section shall be imposed on parcel owners on April 1 of
8 each year and shall be paid no later than April 15 of the following year.

9 (f) Collection and enforcement. To the extent that they are not in conflict
10 with the provisions of this chapter, the administrative provisions of chapters
11 103 and 151 of this title, including those regarding payment, deficiency
12 assessments, appeal, interest and penalty, enforcement, and collection shall
13 apply to the fee imposed by this section.

14 (g) Disposition. The Commissioner shall deposit all fees collected under
15 this section in the Clean Water Legacy Fund, established under section 10503
16 of this title, for the authorized uses of that Fund.

17 § 10503. CLEAN WATER LEGACY FUND

18 (a) Creation of fund. There is created a special fund in the State Treasury
19 to be known as the Clean Water Legacy Fund (Fund) for the purpose of
20 financing water quality improvement within the State of Vermont.

1 (b) Administration of Fund. Notwithstanding any contrary provisions of
2 chapter 7, subchapter 5 of this title:

3 (1) The Fund shall be administered by the Secretary of Administration
4 and shall be managed to ensure financial sustainability of the Fund. The
5 Secretary of Administration shall exercise all necessary authority to implement
6 this section and administer the Fund, except for the authority granted to the
7 Clean Water Legacy Board under section 10504 of this title.

8 (2) The Clean Water Legacy Board shall authorize expenditures from
9 the Fund under section 10504 of this title.

10 (3) All balances remaining at the end of any fiscal year shall be carried
11 forward and remain in the Fund.

12 (c) Contents of Fund. The Fund shall consist of:

13 (1) the Clean Water Legacy fees assessed under section 10502 of this
14 title;

15 (2) any gifts, grants, or contributions to the Fund;

16 (3) any additional fees dedicated for the purpose of supporting the Fund;

17 (4) any eligible federal funds passed through to the Fund in accordance
18 with State and federal laws; and

19 (5) interest accrued on the Fund balance.

1 § 10504. CLEAN WATER LEGACY BOARD

2 (a) Creation. There is created a Clean Water Legacy Board to be
3 composed of:

4 (1) the Attorney General or designee;

5 (2) the State Treasurer or designee;

6 (3) the Secretary of Natural Resources or designee;

7 (4) the Secretary of Agriculture, Food and Markets or designee;

8 (5) the Secretary of Transportation or designee;

9 (6) a representative of the Lake Champlain Basin Program, appointed by
10 the Governor;

11 (7) two representatives of regional or community-based watershed or
12 water quality organizations to be appointed by the Committee on
13 Committees; and

14 (8) two members of industry or business dependent on or affected by
15 water quality to be appointed by the Speaker of the House, one of whom shall
16 have experience in financial management.

17 (b) Officers; committees; rules. The Clean Water Legacy Board shall
18 annually elect a chair from its members. The Clean Water Legacy Board may
19 elect additional officers from its members, establish committees or
20 subcommittees, and adopt procedural rules as necessary and appropriate to
21 perform its work.

1 (c) Member terms. The members of the Clean Water Legacy Board
2 appointed by the Governor, Committee on Committees, or Speaker of the
3 House shall serve staggered terms. The member appointed by the Governor
4 shall serve an initial term of three years. Members appointed by the
5 Committee on Committees shall serve initial terms of two years. Members
6 appointed by the Speaker of the House shall serve initial terms of one year.
7 Thereafter, each of the above appointed members shall serve a term of three
8 years. A vacancy shall be filled by the appointing authority for the remainder
9 of the unexpired term. An appointed member shall not serve more than three
10 consecutive three-year terms.

11 (d) Compensation. Members of the Clean Water Legacy Board who are
12 not employees of the State of Vermont shall be reimbursed at the per diem rate
13 set in 32 V.S.A. § 1010, which shall be paid from the budget of the Agency of
14 Administration.

15 (e) Powers and duties of the Clean Water Legacy Board. The Clean Water
16 Legacy Board shall have the following powers and authority:

17 (1) The Clean Water Legacy Board shall develop a five-year plan for the
18 disbursement of monies from the Clean Water Legacy Fund, including the type
19 of projects to be funded, the management strategies to prioritize, and the
20 methods or measurements to ensure accountability of funded projects or

1 programs. The initial priority for disbursements under the Fund shall be for
2 management within the Lake Champlain watershed.

3 (2) The Clean Water Legacy Board shall award low-interest loans and
4 grants to applicants for water quality improvements in the State.

5 (3) The Clean Water Legacy Board may issue requests for proposals for
6 projects or programs to remediate or reduce contributions of pollutants from
7 critical source areas in a water of the State listed as impaired under 33 U.S.C.
8 § 1313(d), including education and outreach programs, citizen monitoring of
9 water quality, community based activities or efforts by established watershed
10 and lake organizations, and risk analysis of specific parcels.

11 (4) The Clean Water Legacy Board may pursue and accept grants or
12 other funding from any public or private source in order to administer or loans
13 grants under this section.

14 (5) The Clean Water Legacy Board may, in addition to the priorities
15 established in subsection (f) of this section, adopt criteria for the award of
16 grants and loans under this section in order to ensure equity in the distribution
17 of awards under this section among service sectors or land use categories.

18 (f) Issuance of requests for proposal. Within six months of the
19 appointment of all members to the Clean Water Legacy Board, the Board shall
20 issue its initial request for proposal for grants or loans to be awarded from the
21 Fund. The Board shall issue requests for proposal at least annually thereafter.

1 (g) Priority of awards. The Clean Water Legacy Board shall award grants,
2 loans, and other assistance from the Clean Water Legacy Fund in each fiscal
3 year according to the following priorities:

4 (1) First priority shall be given to projects or programs in the Lake
5 Champlain Basin that implement the total maximum daily load plan for the
6 Lake.

7 (2) Next priority shall be given to projects or programs implementing a
8 total maximum daily load plan for waters of the State other than Lake
9 Champlain.

10 (3) Next priority shall be given to funding State agency staffing to
11 implement, administer, and enforce water quality requirements in the State.

12 (4) Next priority shall be given to programs or projects to address a
13 critical source area of pollutants in a non-impaired water of the State.

14 (5) Next priority shall be given to projects or programs that address or
15 repair conditions that increase the risk of flooding or pose a threat to life or
16 property on any water of the State.

17 (h) Administrative implementation. Secretary discretion. Notwithstanding
18 the priorities established in subsection (g) of this section, the Clean Water
19 Legacy Board may award financial assistance under this section for a project
20 or program that otherwise would not receive assistance under the priorities
21 established by this section when the Clean Water Legacy Board determines a

1 severe risk to water quality or risk of discharge exists that requires immediate
2 abatement.

3 (i) Report. On or before January 15, 2016, and annually thereafter, the
4 Clean Water Legacy Board shall submit to the Senate Committee on Natural
5 Resources and Energy, the House Committee on Fish, Wildlife and Water
6 Resources, the Senate Committee on Finance, and the House Committee on
7 Ways and Means a report regarding implementation of the Clean Water
8 Legacy Fund. The report shall include:

9 (1) the amount of revenue deposited in the Fund;

10 (2) the number of grants or loans authorized under the Fund;

11 (3) the total dollar amount of loans or grants authorized under the Fund;

12 (4) a summary of the performance of the Clean Water Legacy Fund; and

13 (5) other indicators of water quality.

14 Sec. 2 EFFECTIVE DATE

15 This act shall take effect on passage.