

1 S.46

2 Introduced by Senators McAllister and Degree

3 Referred to Committee on

4 Date:

5 Subject: Conservation and development; appropriations; water resources;

6 water quality; stormwater

7 Statement of purpose of bill as introduced: This bill proposes to establish a
8 Water Quality Improvement Fund to use existing revenues to fund water
9 quality improvement, including implementation and administration of
10 municipal stormwater management programs.

11 An act relating to financing water quality improvement

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

13 Sec. 1. 10 V.S.A. § 1264e is added to read:

14 § 1264e. WATER QUALITY IMPROVEMENT FUND

15 (a) Creation of Fund. There is created a special fund in the State Treasury
16 to be known as the "Water Quality Improvement Fund" to be administered and
17 expended by the Secretary. Within the Fund, there shall be two accounts: the
18 Capital Account and the Administrative Account. The Capital Account shall
19 be used to fund capital construction and infrastructure projects related to

1 stormwater management. The Administrative Account shall be used to support
2 activities that improve the water quality of the waters of the State.

3 (b) Deposits to accounts:

4 (1) Within the Capital Account, there shall be deposited:

5 (A) an annual appropriation of \$6 million by the General Assembly
6 in the Capital Construction Act to the Vermont Environmental Protection
7 Agency (EPA) Pollution Control Revolving Fund; and

8 (B) appropriations by the General Assembly to the Agency of Natural
9 Resources for any other capital construction or infrastructure projects related to
10 stormwater management.

11 (2) Within the Administrative Account, there shall be deposited:

12 (A) 25 percent of the revenue from the property transfer tax
13 deposited under 32 V.S.A. chapter 231; and

14 (B) such sums as may be appropriated by the General Assembly.

15 (c) Capital Account.

16 (1) Disbursements from the Capital Account. The Secretary may
17 authorize disbursement or expenditures from the Capital Account according to
18 the requirements of 24 V.S.A. chapter 120 and the rules adopted thereunder or
19 as authorized by the General Assembly.

20 (2) Awards; priority. Notwithstanding other priorities in law and the
21 Agency of Natural Resources' Municipal Pollution Control Priority System

1 Rule, grants shall be awarded in each fiscal year according to the following
2 priorities:

3 (A) First priority shall be given to proposed projects or programs to
4 address areas of high risk of pollution or high loading of sediment in Lake
5 Champlain in municipalities with an established stormwater district,
6 stormwater utility, or other similar mechanism for the regulation of
7 stormwater.

8 (B) Next priority shall be given to proposed projects or programs
9 to address areas of high risk of pollution or high loading of sediment in
10 Lake Champlain.

11 (C) Next priority shall be given to proposed projects or programs
12 to address areas of high risk of pollution or high loading of sediment in
13 other waters.

14 (D) Next priority shall be given to projects identified by the Secretary
15 as significant contributors to water quality problems or in critical need of water
16 quality remediation or response.

17 (E) Next priority shall be given to proposed projects or programs to
18 address areas of high risk of pollution or high loading of sediment to a water
19 listed as impaired on the list of waters required by 33 U.S.C. § 1313(d).

1 (F) Next priority shall be given to other projects implementing a total
2 maximum daily load plan in a water listed as impaired on the list of waters
3 required by 33 U.S.C. § 1313(d).

4 (G) Next priority shall be given to projects or programs to address
5 areas of high risk or high loading of sediment to an unimpaired water.

6 (d) Administrative Account.

7 (1) Disbursements from the Administrative Account. The Secretary
8 may authorize disbursement or expenditures from the Administrative Account
9 for administration, monitoring, and implementation of activities or projects that
10 improve the water quality of the waters of the State.

11 (2) Awards; priority. Notwithstanding other priorities in law, grants
12 shall be awarded in each fiscal year according to the following priorities:

13 (A) First priority shall be given to municipalities in the Lake
14 Champlain Basin that have established a stormwater district, stormwater
15 utility, or other similar mechanism for the regulation of stormwater.

16 (B) Next priority shall be given to municipalities in the Lake
17 Champlain Basin that establish a stormwater district, stormwater utility, or
18 other similar mechanism for the regulation of stormwater within six months of
19 an application for capital funding.

20 (C) Next priority shall be given to all other municipalities that
21 establish a stormwater district, stormwater utility, or other similar mechanism

1 for the regulation of stormwater within six months of an application for capital
2 funding.

3 (D) Next priority shall be given to projects or programs in all other
4 municipalities to address areas of high risk or high loading of sediment to a
5 water of the State.

6 (e) Interest. Interest earned by the Fund shall be credited and deposited to
7 the Fund. All balances in the Fund at the end of the fiscal year shall be carried
8 forward and remain a part of the Fund.

9 (f) Administrative implementation.

10 (1) Secretary discretion. The Secretary may award financial assistance
11 under this section for a project or program that otherwise would not receive
12 assistance under the priorities established by this section when the Secretary
13 determines a severe risk to water quality or risk of discharge exists that
14 requires immediate abatement.

15 (2) Rule. The Secretary may adopt by rule additional priorities for the
16 award of grants in order to ensure equity in the distribution of awards under
17 this section among service sectors or land use categories.

1 Sec. 2. 10 V.S.A. § 312 is amended to read:

2 § 312. CREATION OF VERMONT HOUSING AND CONSERVATION
3 TRUST FUND

4 There is created a special fund in the ~~state treasury~~ State Treasury to be
5 known as the “Vermont ~~housing and conservation trust fund~~ Housing and
6 Conservation Trust Fund.” The ~~fund~~ Fund shall be administered by the ~~board~~
7 Board and expenditures therefrom shall only be made to implement and
8 effectuate the policies and purposes of this chapter. The ~~fund~~ Fund shall be
9 ~~comprised~~ composed of ~~50~~ 25 percent of the revenue from the property
10 transfer tax under 32 V.S.A. chapter 231 of Title 32 and any ~~moneys~~ monies
11 from time to time appropriated to the ~~fund~~ Fund by the ~~general assembly~~
12 General Assembly or received from any other source, private or public,
13 approved by the ~~board~~ Board. Unexpended balances and any earnings shall
14 remain in the ~~fund~~ Fund for use in accord with the purposes of this chapter.

15 Sec. 3. REPEAL

16 10 V.S.A. § 1264e (Water Quality Improvement Fund) is repealed on
17 July 1, 2025. Any unexpended or unencumbered funds in the Capital Account
18 of the Water Quality Improvement Fund at the time of the repeal of the Fund
19 shall be reallocated by the General Assembly in future capital construction
20 acts. The Secretary of Natural Resources may use any unexpended or
21 unobligated funds in the Administrative Account of the Water Quality

1 Improvement Fund at the time of the repeal of the Fund for support of water
2 quality programs within the Agency of Natural Resources.

3 Sec. 4. 10 V.S.A. § 312 is amended to read:

4 § 312. CREATION OF VERMONT HOUSING AND CONSERVATION
5 TRUST FUND

6 There is created a special fund in the State Treasury to be known as the
7 “Vermont Housing and Conservation Trust Fund.” The Fund shall be
8 administered by the Board and expenditures therefrom shall only be made to
9 implement and effectuate the policies and purposes of this chapter. The Fund
10 shall be composed of ~~25~~ 50 percent of the revenue from the property transfer
11 tax under 32 V.S.A. chapter 231 and any monies from time to time
12 appropriated to the Fund by the General Assembly or received from any other
13 source, private or public, approved by the Board. Unexpended balances and
14 any earnings shall remain in the Fund for use in accord with the purposes of
15 this chapter.

16 Sec. 5. JOINT OFFICE OF AGENCY OF NATURAL RESOURCES AND
17 AGENCY OF AGRICULTURE, FOOD AND MARKETS

18 The Secretary of Natural Resources and the Secretary of Agriculture, Food
19 and Markets shall establish in Franklin County a joint office of the Agency of
20 Natural Resources and the Agency of Agriculture, Food and Markets for the
21 purpose of providing technical and financial assistance to municipalities,

1 farmers, and others regarding water quality improvement of Lake Champlain
2 and other waters of the State.

3 Sec. 6. ECOSYSTEM RESTORATION PROGRAM; GRANT ELIGIBILITY

4 It is the policy of the State of Vermont that all municipal separate storm
5 sewer system (MS4) communities in the State shall be eligible for grants and
6 other financial assistance from the Agency of Natural Resources' Ecosystem
7 Restoration Program or any other State water quality financing program. A
8 project or proposal that is the subject of an application for a grant or other
9 assistance from the Agency of Natural Resources shall not be denied solely on
10 the basis that the project or proposal may be construed as a regulatory
11 requirement of the MS4 permit program.

12 Sec. 7. EFFECTIVE DATES

13 (a) This section and Secs. 1 (Water Quality Improvement Fund),
14 2 (property transfer tax allocation), 3 (repeal of Water Quality Improvement
15 Fund), 5 (joint ANR and AAFM office), and 6 (ecosystem restoration program;
16 grant eligibility) shall take effect on passage. Secs. 1 and 2 (Water Quality
17 Improvement Fund; meals and rooms tax) shall apply for fiscal year 2016
18 and after.

19 (b) Sec. 4 (prospective amendment of property transfer tax) shall take
20 effect on July 1, 2025.