

Vermont Legislative Joint Fiscal Office

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FISCAL NOTE

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H.586 – An Act Relating to Improving the Quality of State Waters

(As amended by the House Committee on Ways and Means)

Summary: The bill proposes to establish programs with the aim of improving the quality of the waters of Vermont, implementing and meeting the impending TMDL for Lake Champlain, identifying cost-effective strategies for the agricultural community to address water quality issues and engaging agricultural operations in meaningful ways as part of the State’s ongoing water quality improvement efforts. The programs would be phased in over several fiscal years beginning on the passage date of the bill.

Fiscal Impacts: Most of the programs identified in this bill carry costs for which a revenue source would need to be identified prior to the implementation dates. A report issued by the Department of Environmental Conservation as mandated by Act 138 of 2012 identified some estimated costs and revenue sources but EPA decisions could alter the resources and monies needed by the State to meet water quality standards. Estimates provided by the House Committee on Fish, Wildlife and Water Resources gave cost estimates for the new positions and spending that would go along with this bill. The figure below represents the estimated costs given by the Committee and adjusted by the House Ways and Means amendment that pushes out the dates for most of the provisions of the bill to FY17 and beyond and removes all tax provisions that were present in prior versions of the bill. These numbers are preliminary and subject to change.

Summary of Fiscal Impacts

<i>Expenses</i>	<i>FY16</i>	<i>FY17</i>	<i>FY18</i>	<i>FY19</i>
-Staff	(\$50,000)	(\$600,000)	(\$1,100,000) ¹	(\$1,100,000)
-Infrastructure Funding	-	(\$330,000)	(\$660,000)	(\$1,700,000) ²
Net Fiscal Impact	(\$50,000)	(\$930,000)	(\$1,760,000)	(\$2,800,000)

The bill does not contain a clause that establishes specific FTE positions and there are currently no appropriations in the bill to pay for the new positions or programs. The bill would create so-called “unfunded mandates” in that, without the approval of dedicated funding in future years by the Legislature, the affected agencies would be required by law to establish these programs without the necessary funding. Section 13 of the bill would require the Agency of Agriculture to draft a water quality financing report by January 15, 2015 that would identify possible sources for the funds needed to implement the water quality improvement programs. While there would not be any fiscal impacts in FY15 from the passage of this bill, there would be significant costs in future years that would require dedicated funding from the Legislature.

¹ Estimated staffing increases would be completed and this figure would represent an ongoing annual cost for the new positions.

² All small farm infrastructure improvements would be funded by the end of FY19 and there would be no further infrastructure funding increases.