

Vermont Legislative Joint Fiscal Office

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FISCAL NOTE

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H.526 – AN ACT RELATING TO THE ESTABLISHMENT OF LAKE SHORELAND PROTECTION STANDARDS

(As Passed by the Committee of Conference)

Bill Summary: The bill would establish a permitting program within the Agency of Natural Resources (ANR) for projects taking place within protected shoreland areas. Protected shorelands are those areas within 250 feet of the mean water level of those lakes with surface areas exceeding 10 acres. Proposals to create cleared areas or impervious surfaces within protected shoreland areas would require a permit or registration. The bill would establish separate standards for non-conforming parcels and would create exemptions for certain parcels. The Secretary of Natural Resources would have discretion to adopt rules relating to the administration of the requirements of this bill and relating to best management practices for construction within protected shoreland areas. ANR would be required to perform education and outreach activities in regards to this program and to establish a voluntary shoreland erosion control certification program on or before January 1, 2016. All other provisions of the bill would take effect on July 1, 2014 and ANR would be required to report to the Legislature on the lake shoreland protection program on January 15, 2016.

Fiscal Impacts:

Agency of Natural Resources

ANR has requested 3 additional staff positions to fulfill the requirements of this bill. The positions would have the title of Environmental Analyst and carry a salary of \$80,000 each with a cumulative staff cost of \$240,000 in FY15 and future years. ANR would also incur further expenses totaling approximately \$30,000 for equipment and travel in FY15 and future years. The total cost of administering the permitting program in FY15 would be approximately \$270,000. The Senate-passed version of the FY15 appropriations bill, H.885, contains language authorizing the establishment of 3 new positions and appropriating \$272,500 in special fund monies for salaries and other expenses. ANR has stated that there would be no further costs incurred relating to the education/outreach portion of this bill, as well as the voluntary shoreland erosion control certification portion, that would necessitate a request for funding beyond what is tentatively budgeted for FY15.

Under this bill, projects taking place within a protected shoreland area would be required to obtain a permit through ANR. Projects that are exempt from permitting would still need to be registered with ANR and pay a fee of \$100. Projects requiring a permit would owe a fee of \$125 plus \$0.50 per square foot of impervious surface. ANR believes that these fees would raise approximately \$272,500 in special fund revenue in FY15, which would cover the expenses related to administering the permitting program.

New FY15 Permitting/Registration Revenue	\$272,500
New FY15 Expenses (3 positions and other related expenses)	<u>(\$272,500)</u>
Net Estimated FY15 Fiscal Impact	\$0

Municipal Impacts

Municipalities may choose to adopt ordinances or bylaws in order to enter into a delegation agreement with ANR. Municipalities that pursue this option may incur costs associated with developing, adopting, and administering these ordinances and bylaws.

Education Fund Revenue Impacts

Property values have a direct impact on revenues to the education fund. To the extent that this bill would alter property values, it will impact State education taxes collected. The Joint Fiscal Office does not have the necessary data to estimate this impact. ANR has published a report that cites a study of the impact of water quality on lakefront property values in Maine, New Hampshire, and Vermont. The underlying study suggests that improving water quality is likely to have a positive impact on property values.