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Introduced by Representatives Dickinson of St. Albans Town, Batchelor of Derby, Beyor of Highgate, Branagan of Georgia, Brennan of Colchester, Connor of Fairfield, Cupoli of Rutland City, Dame of Essex, Fiske of Enosburgh, Gamache of Swanton, Higley of Lowell, Juskiewicz of Cambridge, Murphy of Fairfax, Myers of Essex, Parent of St. Albans City, Pearce of Richford, Purvis of Colchester, Savage of Swanton, and Van Wyck of Ferrisburgh

Referred to Committee on

Date:

Subject: Conservation and development; appropriations; water resources; water quality; stormwater

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

An act relating to financing water quality improvement

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

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

2 § 1264e. WATER QUALITY IMPROVEMENT FUND

3 (a) Creation of Fund. There is created a special fund in the State Treasury
4 to be known as the “Water Quality Improvement Fund” to be administered and
5 expended by the Secretary. Within the Fund, there shall be two accounts: the
6 Capital Account and the Administrative Account. The Capital Account shall
7 be used to fund capital construction and infrastructure projects related to
8 stormwater management. The Administrative Account shall be used to support
9 activities that improve the water quality of the waters of the State.

10 (b) Deposits to accounts:

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

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

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

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

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

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

1 (c) Capital Account.

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

6 (2) Awards; priority. Notwithstanding other priorities in law and the
7 Agency of Natural Resources' Municipal Pollution Control Priority System
8 Rule, grants shall be awarded in each fiscal year according to the following
9 priorities:

10 (A) First priority shall be given to proposed projects or programs
11 to address areas of high risk of pollution or high loading of sediment in
12 Lake Champlain in municipalities with an established stormwater district,
13 stormwater utility, or other similar mechanism for the regulation of
14 stormwater.

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

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

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

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

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

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

12 (d) Administrative Account.

13 (1) Disbursements from the Administrative Account. The Secretary
14 may authorize disbursement or expenditures from the Administrative Account
15 for administration, monitoring, and implementation of activities or projects that
16 improve the water quality of the waters of the State.

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

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

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

5 (C) Next priority shall be given to all other municipalities that
6 establish a stormwater district, stormwater utility, or other similar mechanism
7 for the regulation of stormwater within six months of an application for capital
8 funding.

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

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

15 (f) Administrative implementation.

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

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

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

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

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

18 Sec. 3. REPEAL

19 10 V.S.A. § 1264e (Water Quality Improvement Fund) is repealed on
20 July 1, 2025. Any unexpended or unencumbered funds in the Capital Account
21 of the Water Quality Improvement Fund at the time of the repeal of the Fund

1 shall be reallocated by the General Assembly in future capital construction
2 acts. The Secretary of Natural Resources may use any unexpended or
3 unobligated funds in the Administrative Account of the Water Quality
4 Improvement Fund at the time of the repeal of the Fund for support of water
5 quality programs within the Agency of Natural Resources.

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

7 § 312. CREATION OF VERMONT HOUSING AND CONSERVATION
8 TRUST FUND

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

1 Sec. 5. JOINT OFFICE OF AGENCY OF NATURAL RESOURCES AND
2 AGENCY OF AGRICULTURE, FOOD AND MARKETS

3 The Secretary of Natural Resources and the Secretary of Agriculture, Food
4 and Markets shall establish in Franklin County a joint office of the Agency of
5 Natural Resources and the Agency of Agriculture, Food and Markets for the
6 purpose of providing technical and financial assistance to municipalities,
7 farmers, and others regarding water quality improvement of Lake Champlain
8 and other waters of the State.

9 Sec. 6. ECOSYSTEM RESTORATION PROGRAM; GRANT ELIGIBILITY

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

18 Sec. 7. EFFECTIVE DATES

19 (a) This section and Secs. 1 (Water Quality Improvement Fund),
20 2 (property transfer tax allocation), 3 (repeal of Water Quality Improvement
21 Fund), 5 (joint ANR and AAFM office), and 6 (ecosystem restoration program);

1 grant eligibility) shall take effect on passage. Secs. 1 and 2 (Water Quality
2 Improvement Fund; meals and rooms tax) shall apply for fiscal year 2016
3 and after.
4 (b) Sec. 4 (prospective amendment of property transfer tax) shall take
5 effect on July 1, 2025.