

# Journal of the House

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Wednesday, April 1, 2015

At nine o'clock and thirty minutes in the forenoon the Speaker called the House to order.

## Devotional Exercises

Devotional exercises were conducted by poet, Jude Demers from Burlington, Vt.

## Senate Bill Referred

**S. 42**

Senate bill, entitled

An act relating to the substance abuse system of care

Was read and referred to the committee on Human Services.

## Joint Resolution Adopted in Concurrence

**J.R.S. 22**

By Senators Baruth and Benning,

**J.R.S. 22.** Joint resolution relating to weekend adjournment.

### *Resolved by the Senate and House of Representatives:*

That when the two Houses adjourn on Friday, April 3, 2015, it be to meet again no later than Tuesday, April 7, 2015.

Was taken up read and adopted in concurrence.

## Third Reading; Bills Passed

House bills of the following titles were severally taken up, read the third time and passed:

**H. 11**

House bill, entitled

An act relating to the membership of the Commission on Alzheimer's Disease and Related Disorders;

**H. 117**

House bill, entitled

An act relating to creating a Division for Telecommunications and Connectivity within the Department of Public Service;

**Third Reading; Bill Passed in Concurrence  
With Proposal of Amendment**

**S. 13**

Senate bill, entitled

An act relating to the Vermont Sex Offender Registry

Was taken up, read the third time and passed in concurrence with proposal of amendment.

**Bill Read Second Time; Bill Amended; Consideration  
Interrupted by Recess**

**H. 361**

**Rep. Sharpe of Bristol** spoke for the committee on Education.

House bill entitled

An act relating to making amendments to education funding, education spending, and education governance

Having appeared on the Calendar one day for notice, was taken up and read the second time.

**Rep. Condon of Colchester**, for the committee on Ways and Means recommended that the bill ought to pass when amended as follows:

First: By striking Secs. 2–5 (yield; dollar equivalent) in their entirety, and inserting in lieu thereof the following:

Sec. 2. 16 V.S.A. § 4001(13) is amended to read:

(13) “Base education amount” means ~~a number used to calculate tax rates. The base education amount is \$6,800.00 per equalized pupil, adjusted as required under section 4011 of this title.~~

Sec. 2a. 32 V.S.A. § 5401 is amended to read:

§ 5401. DEFINITIONS

\* \* \*

(13)(A) “District Education property tax spending adjustment” means the greater of: one or a fraction in which the numerator is the district’s education spending plus excess spending, per equalized pupil, for the school year; and the denominator is the base education amount property dollar equivalent yield for the school year, as defined in ~~16 V.S.A. § 4001 subdivision (15) of this section. For a district that pays tuition to a public school or an approved independent school, or both, for all of its resident~~

~~students in any year and which has decided by a majority vote of its school board to opt into this provision, the district spending adjustment shall be the average of the district spending adjustment calculated under this subdivision for the previous year and for the current year. Any district opting for a two-year average under this subdivision may not opt out of such treatment, and the averaging shall continue until the district no longer qualifies for such treatment.~~

(B) "Education income tax spending adjustment" means the greater of: one or a fraction in which the numerator is the district's education spending plus excess spending, per equalized pupil, for the school year; and the denominator is the income dollar equivalent yield for the school year, as defined in subdivision (16) of this section.

\* \* \*

(15) "Property dollar equivalent yield" means the amount of spending per equalized pupil that would result if the homestead tax rate were \$1.00 per \$100.00 of equalized education property value, and the statutory reserves under 16 V.S.A. § 4026 and section 5402b of this title were maintained.

(16) "Income dollar equivalent yield" means the amount of spending per equalized pupil that would result if the applicable percentage in subdivision 6066(a)(2) of this title were 2.0 percent, and the statutory reserves under 16 V.S.A. § 4026 and section 5402b of this title were maintained.

Sec. 3. 32 V.S.A. § 5402 is amended to read:

#### § 5402. EDUCATION PROPERTY TAX LIABILITY

(a) A ~~Statewide~~ statewide education tax is imposed on all nonresidential and homestead property at the following rates:

(1) The tax rate for nonresidential property shall be \$1.59 per \$100.00.

(2) The tax rate for homestead property shall be ~~\$1.40~~ \$1.00 multiplied by the ~~district~~ education property tax spending adjustment for the municipality, per \$100.00, of equalized education property value as most recently determined under section 5405 of this title. The homestead property tax rate for each municipality which is a member of a union or unified union school district shall be calculated as required under subsection (e) of this section.

(b) The ~~Statewide~~ statewide education tax shall be calculated as follows:

(1) The Commissioner of Taxes shall determine for each municipality the education tax rates under subsection (a) of this section, divided by the municipality's most recent common level of appraisal. The legislative body in each municipality shall then bill each property taxpayer at the homestead or

nonresidential rate determined by the Commissioner under this subdivision, multiplied by the education property tax grand list value of the property, properly classified as homestead or nonresidential property and without regard to any other tax classification of the property. Tax bills shall show the tax due and the calculation of the rate determined under subsection (a) of this section, divided by the municipality's most recent common level of appraisal, multiplied by the current grand list value of the property to be taxed.

(2) Taxes assessed under this section shall be assessed and collected in the same manner as taxes assessed under chapter 133 of this title with no tax classification other than as homestead or nonresidential property.

(3) If a district has not voted a budget by June 30, an interim homestead education tax shall be imposed at the base rate determined under subdivision (a)(2) of this section, divided by the municipality's most recent common level of appraisal, but without regard to any ~~district~~ spending adjustment under subdivision 5401(13) of this title. Within 30 days after a budget is adopted and the deadline for reconsideration has passed, the Commissioner shall determine the municipality's homestead tax rate as required under subdivision (1) of this subsection.

\* \* \*

(d) A municipality which has upon its grand list an operating electric generating plant subject to the tax under chapter 213 of this title shall be subject to the nonresidential education property tax at three-quarters of the rate provided in subdivision (a)(1) of this section, as adjusted under section 5402b of this chapter; and shall be subject to the homestead education property tax at three-quarters of the base rate provided in subdivision (a)(2) of this section, as adjusted under section 5402b of this chapter, and multiplied by its ~~district~~ spending adjustment under subdivision 5401(13) of this title.

(e) The Commissioner of Taxes shall determine a homestead education tax rate for each municipality which is a member of a union or unified union school district as follows:

(1) For a municipality which is a member of a unified union school district, use the base rate determined under subdivision (a)(2) of this section and a ~~district~~ spending adjustment under subdivision 5401(13) of this title based upon the education spending per equalized pupil of the unified union.

(2) For a municipality which is a member of a union school district:

(A) Determine the municipal district homestead tax rate using the base rate determined under subdivision (a)(2) of this section and a ~~district~~ spending adjustment under subdivision 5401(13) of this title based on the

education spending per total equalized pupil in the municipality who attends a school other than the union school.

(B) Determine the union district homestead tax rate using the base rate determined under subdivision (a)(2) of this section and a ~~district~~ spending adjustment under subdivision 5401(13) of this title based on the education spending per equalized pupil of the union school district.

\* \* \*

Sec. 4. 32 V.S.A. § 6066(a)(2) is amended to read:

(2) “Applicable percentage” in this section means two percent, multiplied by the ~~district~~ education income tax spending adjustment under subdivision 5401(13)(~~B~~) of this title for the property tax year which begins in the claim year for the municipality in which the homestead residence is located; ~~but in no event shall the applicable percentage be less than two percent.~~

Sec. 4a. REVISION AUTHORITY

Notwithstanding 4 V.S.A. § 424, the Office of Legislative Council is authorized to change all instances in statute of the term “applicable percentage” to “income percentage” in 32 V.S.A. chapters 135 and 154.

Sec. 4b. 16 V.S.A. § 4031 is amended to read:

§ 4031. UNORGANIZED TOWNS AND GORES

(a) For a municipality that as of January 1, 2004 is an unorganized town or gore, its ~~district~~ education property tax spending adjustment under 32 V.S.A. § 5401(13) shall be one for purposes of determining the tax rate under 32 V.S.A. § 5402(a)(2).

(b) For purposes of a claim for property tax adjustment under 32 V.S.A. chapter 154 by a taxpayer in a municipality affected under this section, the applicable percentage shall not be multiplied by a spending adjustment under 32 V.S.A. § 5401(13).

Sec. 5. 32 V.S.A. § 5402b is amended to read:

§ 5402b. STATEWIDE EDUCATION TAX RATE ADJUSTMENTS

YIELDS; RECOMMENDATION OF THE COMMISSIONER

~~(a) Annually, by December 1, the Commissioner of Taxes shall recommend to the General Assembly, after consultation with the Agency of Education, the Secretary of Administration, and the Joint Fiscal Office, the following adjustments in the statewide education tax rates under subdivisions 5402(a)(1) and (2) of this title:~~

~~(1) If there is a projected balance in the Education Fund Budget Stabilization Reserve in excess of the five percent level authorized under 16 V.S.A. § 4026, the Commissioner shall recommend a reduction, for the following fiscal year only, in the statewide education tax rates which will retain the projected Education Fund Budget Stabilization Reserve at the five percent maximum level authorized and raise at least 34 percent of projected education spending from the tax on nonresidential property; and~~

~~(2) If there is a projected balance in the Education Fund Budget Stabilization Reserve of less than the three and one half percent level required under 16 V.S.A. § 4026, the Commissioner shall recommend an increase, for the following fiscal year only, in the statewide education tax rates which will retain the projected Education Fund Budget Stabilization Reserve at no less than the three and one half percent minimum level authorized under 16 V.S.A. § 4026, and raise at least 34 percent of projected education spending from the tax rate on nonresidential property.~~

~~(3) In any year following a year in which the nonresidential rate produced an amount of revenues insufficient to support 34 percent of education fund spending in the previous fiscal year, the Commissioner shall determine and recommend an adjustment in the nonresidential rate sufficient to raise at least 34 percent of projected education spending from the tax rate on nonresidential property.~~

~~(4) If in any year in which the nonresidential rate is less than the statewide average homestead rate, the Commissioner of Taxes shall determine the factors contributing to the deviation in the proportionality of the nonresidential and homestead rates and make a recommendation for adjusting statewide education tax rates accordingly.~~

~~(b) If the Commissioner makes a recommendation to the General Assembly to adjust the education tax rates under section 5402 of this title, the Commissioner shall also recommend a proportional adjustment to the applicable percentage base for homestead income based adjustments under section 6066 of this title, but the applicable percentage base shall not be adjusted below 1.94 percent.~~

(a) Annually, no later than December 1, the Commissioner shall calculate and recommend a property dollar equivalent yield and an income dollar equivalent yield for the following fiscal year. In making these calculations, the Commissioner shall assume:

(1) the homestead base tax rate in subdivision 5402(a)(2) of this title is 1.00 per \$100.00 of equalized education property value;

(2) the applicable percentage in subdivision 6066(a)(2) of this title is 2.0;

(3) the statutory reserves under 16 V.S.A. § 4026 and this section were maintained at five percent; and

(4) the percentage change in the median education tax bill applied to nonresidential property, the percentage change in the median education tax bill of homestead property, and the percentage change in the median education tax bill for taxpayers who claim an adjustment under subsection 6066(a) of this title are equal.

(b) For each fiscal year, the General Assembly shall set a property dollar equivalent yield and an income dollar equivalent yield, consistent with the definitions in this chapter.

Second: In Sec. 6, Fiscal Year 2016 education property tax rates, in subdivision (a)(1), by striking out “\$1.535” and inserting in lieu thereof “\$1.525” and in subdivision (a)(2), by striking out “\$1.00” and inserting in lieu thereof “\$0.98”

Third: By striking out Sec. 18 in its entirety and inserting in lieu thereof a new Sec. 18 to read:

Sec. 18. TAX INCENTIVES; PREKINDERGARTEN–GRADE 12

DISTRICT

(a) Tax incentive. Subject to subsection (c) of this section, a prekindergarten–grade 12 district created pursuant to Sec. 17 of this act shall receive an equalization of its homestead property tax rates during fiscal years 2020 through 2023 as follows:

(1)(A) Subject to the provisions of subdivision (2) of this subsection and notwithstanding any other provision of law, the district’s equalized homestead property tax rate shall be:

- (i) decreased by \$0.08 in fiscal year 2020;
- (ii) decreased by \$0.06 in fiscal year 2021;
- (iii) decreased by \$0.04 in fiscal year 2022; and
- (iv) decreased by \$0.02 in fiscal year 2023.

(B) The household income percentage shall be calculated accordingly.

(2) During the years in which a district’s equalized homestead property tax rate is decreased pursuant to this subsection, the rate for each town within

the district shall not increase or decrease by more than five percent in a single year. The household income percentage shall be calculated accordingly.

(b) Common level of appraisal. On and after the effective date of merger, the common level of appraisal shall be calculated independently for each town within the district for purposes of determining the homestead property tax rate for each town.

(c) Applicability.

(1) This section shall apply only to a prekindergarten–grade 12 district that obtains a favorable vote of all “necessary” districts on or before November 30, 2017, is operational on or before July 1, 2019, and is either a supervisory district or has an average daily membership of 1,100, or both.

(2) This section shall not apply to a regional education district or one of its variations that receives incentives pursuant to 2010 Acts and Resolves No. 153, Sec. 4, as amended by 2012 Acts and Resolves No. 156, Sec. 13.

**Rep. Fagan of Rutland City**, for the committee on Appropriations recommended that the bill ought to pass when amended as recommended by the committee on Ways and Means and when further amended as follows:

First: In Sec. 32, by striking out subsection (e) (funding) in its entirety and inserting in lieu thereof a new subsection (e) to read:

(e) Funding. Notwithstanding any provision of 16 V.S.A. § 4025(d) to the contrary and prior to any reversions, of the amount appropriated in fiscal year 2015 pursuant to 2014 Acts and Resolves No. 179, Sec. B.505, the sum of up to \$300,000.00 shall be transferred to the Joint Fiscal Office for use in fiscal year 2016 for the purposes of this section.

Second: After Sec. 35, before the reader assistance for Sec. 36, by adding a new section to be Sec. 35a and related reader assistance to read:

\* \* \* Authorization; Existing Financial Incentives \* \* \*

Sec. 35a. AUTHORIZATION; FINANCIAL INCENTIVES

Prior to any reversions, of the amount appropriated in fiscal year 2015 pursuant to 2014 Acts and Resolves No. 179, Sec. B.505, the sum of \$620,000.00 may be expended by the Agency of Education in fiscal year 2016 for the reimbursement of costs and payment of other financial incentives available pursuant to 2012 Acts and Resolves No. 156 to two or more school districts or two or more supervisory unions that are exploring or implementing joint activity, including merger into a regional education district or one of its variations.



Third: In Sec. 36, by inserting a new subsection to be subsection (z) to read:

(z) Sec. 35a shall take effect on passage.

Having appeared on the Calendar one day for notice, was taken up and read the second time and the report of the committees on Ways and Means and Appropriations agreed to.

Pending the question, Shall the bill be read the third time? **Rep. Christie of Hartford** moved to amend the bill as follows:

First: By striking out Sec. 1 (education policy goals) in its entirety and inserting in lieu thereof a new Sec. 1 to read:

#### Sec. 1. EDUCATION POLICY GOALS

(a) Intent. By enacting this legislation, the General Assembly intends to move the State toward integrated education systems responsible for the equitable delivery of high quality education to all resident prekindergarten–grade 12 students through a revised governance structure that:

(1) leads students to achieve or exceed the State’s Education Quality Standards, adopted as rules by the State Board of Education at the direction of the General Assembly;

(2) leads to improved transparency and accountability; and

(3) is delivered at a cost that parents, voters, and taxpayers value.

(b) Design; local decisions. This legislation is designed to encourage and support local decisions and actions linked to the Education Quality Standards, transparency, accountability, and cost-effectiveness, including decisions and actions that:

(1) promote equity in the quality and variety of educational opportunities available throughout the State, regardless of the school’s size or location;

(2) improve student performance as established by each school in the continuous improvement plan it develops pursuant to 16 V.S.A. § 165;

(3) provide a sequential, logical curriculum to all students;

(4) promote students’ ability to think critically; communicate verbally, in writing, and through the use of technology; collaborate; and solve problems creatively;

(5) advance solutions, including structural changes, that are developed and implemented at the local level to meet community needs and priorities;

(6) enhance the possibility that the State's small schools remain open if they are able to provide students with equitable educational opportunities and improved student performance at a stable, affordable cost;

(7) create enhanced opportunities and other conditions that promote stability in leadership;

(8) foster strong relationships between schools and the broader community and increased parental and community engagement at the school level;

(9) facilitate operational and educational efficiencies and effectiveness through greater flexibility in the management of resources to support student achievement and success, with a goal of increasing the district-level ratio of students to full-time equivalent staff;

(10) improve affordability and stability for taxpayers; and

(11) increase public accountability and transparency through:

(A) greater consistency in educational governance structures; and

(B) the accounting and reporting of financial information in accordance with Generally Accepted Accounting Principles and as otherwise required by the Secretary of Education.

(c) Education Quality Standards; indicators; performance measures. On or before December 31, 2015, in connection with the ongoing development of indicators to determine compliance with Education Quality Standards, the State Board of Education shall adopt and publish performance measures for the policy goals identified in the Standards as expressed by this section, including those relating to student outcomes.

(d) Guidelines. Based upon the performance measures it adopts in subsection (c) of this section, including those relating to student outcomes, the State Board of Education shall issue guidelines on or before December 31, 2015, that are designed to:

(1) assist districts to develop governance proposals pursuant to Sec. 17 of this act; and

(2) guide the State Board's evaluation of the proposals, recognizing that regional variations may result in a proposal that continues, expands, or creates a new supervisory union.

Second: By striking out Sec. 17 (governance transition) in its entirety and inserting in lieu thereof a new Sec. 17 to read:

Sec. 17. GOVERNANCE TRANSITIONS TO ACHIEVE EDUCATION POLICY GOALS; INTEGRATED EDUCATION SYSTEMS

(a) Integrated education systems. On or before July 1, 2019, the State shall provide educational opportunities through integrated education systems that are responsible for the equitable delivery of high quality education to all resident prekindergarten through grade 12 students, and that are designed to improve transparency and accountability and to promote stable, affordable education costs, all as set forth in Sec. 1 of this act.

(b) Evaluation and proposal by districts.

(1) Evaluation. Each district shall meet with one or more other districts, including those that have similar patterns of school operation and tuition payment, to evaluate the districts' structures and programs and determine how best to create and implement an integrated education system in the region. The districts do not need to be contiguous and do not need to be within the same supervisory union.

(2) Study committee and report. Except as provided in subsection (e) of this section, each district shall form a study committee with one or more other districts and prepare a study report (Report) pursuant to 16 V.S.A. chapter 11. The Report shall propose creation of a new prekindergarten–grade 12 district, or an integrated education system with more than one district pursuant to subdivision (c)(3) of this section, that is designed to enable the region to meet the goals and requirements set forth in this section and to be operational on or before July 1, 2019. The reimbursement of costs incurred when preparing the Report and other assistance to facilitate transition are available pursuant to 2012 Acts and Resolves No. 156 to the extent provided in that act.

(3) Submission of report and vote of electorate. Districts shall submit the Report to the State Board of Education and subsequently to the electorate pursuant to 16 V.S.A. chapter 11. If approved by the State Board of Education pursuant to subsection (d) of this section, and subsequently approved by the electorate on or before November 30, 2017, a Report shall be a new prekindergarten–grade 12 district's articles of agreement pursuant to 16 V.S.A. chapter 11 and shall be the governing document of an integrated education system with more than one district.

(c) Size and structure of integrated education systems.

(1) Minimum size; waiver. Each integrated education system shall have an average daily membership of at least 1,100 students in prekindergarten through grade 12 unless granted a waiver by the State Board of Education based upon criteria developed by the Board.

(2) Education Districts. In order to promote flexibility, transparency, and accountability, the preferred structure for an integrated education system shall be an Education District, which is supervisory district as defined in 16 V.S.A. § 11(a)(24) that is responsible for the education of all resident prekindergarten through grade 12 students and that assumes one of the following four common governance structures:

(A) a district that operates a school or schools for resident students in prekindergarten or kindergarten through grade 12;

(B) a district that operates a school or schools for resident students in prekindergarten or kindergarten through grade 6 and pays tuition for all resident students in grade 7 through grade 12;

(C) a district that operates a school or schools for resident students in prekindergarten or kindergarten through grade 8 and pays tuition for resident students in grade 9 through grade 12;

(D) a district that operates no schools and pays tuition for resident students in prekindergarten through grade 12.

(3) Supervisory unions.

(A) Recognizing that an Education District may not be the best means of achieving the goals of this act in all regions of the State, and to the extent necessary under subdivision (1) of this subsection (minimum ADM; waiver), subsection (g) of this section (protections for tuitioning and operating districts), or otherwise, districts may propose the creation, expansion, or continuation of a supervisory union with two or more member districts, each with a distinct school board. Supervisory unions under this subdivision are encouraged to include the smallest number of school districts as practicable. The State Board may approve the proposal pursuant to 16 V.S.A. § 261 and chapter 11, if it concludes that the proposal is the best means of achieving an integrated education system capable of meeting the goals and requirements of this section in a particular region.

(B) Notwithstanding subdivision (A) of this subdivision, the State Board shall approve a supervisory union structure only if the structure ensures transparency and accountability for the member districts and the public at large, including transparency and accountability in relation to the supervisory union budget, which may include a process by which the electorate votes directly whether to approve the proposed supervisory union budget. Pursuant to 16 V.S.A. § 261(d), the State Board may waive requirements of 16 V.S.A. chapters 5 and 7 if necessary to facilitate the vote.

(d) Evaluation by the State Board of Education. When evaluating Reports presented to it pursuant to 16 V.S.A. chapter 11 and subsection (b) of this section, the State Board shall:

(1) consider whether the proposal is designed to create an integrated education system capable of achieving the goals and requirements set forth in this section; and

(2) be mindful of any other district in the region that may become geographically isolated.

(A) At the request of the State Board, the Secretary shall work with the potentially isolated district and other districts in the region to move toward an integrated education system that is designed to achieve the goals and requirements set forth in this section.

(B) The State Board is authorized to deny approval to a proposal that would geographically isolate a district that would not be an appropriate member of another integrated education system in the region.

(e) Exceptions to requirement for study committee.

(1) Existing supervisory district. If the board of an existing supervisory district believes that the district can function as an integrated education system pursuant to this section without altering its current governance structure or joining a supervisory union, then the board may prepare and submit a Report to the State Board pursuant to subsection (b) of this section and subsequently to the electorate pursuant to 16 V.S.A. chapter 11 without forming a study committee pursuant to that chapter.

(2) Existing supervisory union. If the board of an existing supervisory union believes that all member districts can function as an integrated education system pursuant to this section by realigning their governance structures into a single Education District, then the supervisory union board may prepare and submit a Report to the State Board pursuant to subsection (b) of this section and subsequently to the electorate pursuant to 16 V.S.A. chapter 11 without forming a study committee pursuant to that chapter.

(f) Creation of integrated education systems.

(1) Secretary's proposal. If a district or group of districts does not complete the process outlined in subsection (b) of this section, or does so but does not obtain a favorable vote of all "necessary" districts on or before November 30, 2017 (collectively, the Remaining Districts), then the Secretary shall develop a proposal by which the Remaining Districts of the State shall be realigned to the extent possible to create integrated education systems pursuant to this section. If it is not possible or practicable to realign one or more

Remaining Districts in a manner that meets one or more provisions of subsections (a) and (c) of this section, then, in connection with the district or districts, the proposal shall be designed in a manner that serves the best interests of the resident students, the local communities, and the State. The Secretary shall present the proposal to the State Board of Education for its consideration on or before July 1, 2018.

(2) State Board's order. On or before September 1, 2018, the State Board shall approve the Secretary's proposal in its original or in an amended form, and shall publish its order realigning Remaining Districts on the Agency's website.

(g) Interstate school districts. This section shall not apply to interstate school districts.

(h) Protection for nonoperating districts and operating districts; statement of intent.

(1) Nonoperating districts. All governance transitions achieved pursuant to this section shall preserve the ability of a district that, as of the effective date of this act, provides for the education of all resident students in one or more grades by paying tuition on the students' behalf, to continue to provide education by paying tuition on behalf of all students in the grade or grades if it chooses to do so and shall not require the district to limit the options available to students if it ceases to exist as a discrete entity and is realigned into a supervisory district or union school district.

(2) Operating districts. All governance transitions achieved pursuant to this section shall preserve the ability of a district that, as of the effective date of this act, provides for the education of all resident students in one or more grades by operating a school offering the grade or grades, to continue to provide education by operating a school for all students in the grade or grades if it chooses to do so and shall not require the district to pay tuition for students if it ceases to exist as a discrete entity and is realigned into a supervisory district or union school district.

(3) Statement of intent. Nothing in this section shall be construed to restrict or repeal, or to authorize or require the restriction or repeal of, the ability of a school district that, as of the effective date of this act, provides for the education of all resident students in one or more grades:

(A) by paying tuition on the students' behalf, to continue to provide education by paying tuition on behalf of all students in the grade or grades if it chooses to do so; or

(B) by operating a school offering the grade or grades, to continue to provide education by operating a school for all students in the grade or grades if it chooses to do so.

Third: By striking out Sec. 24 (strikes; contract imposition) in its entirety and inserting in lieu thereof a new Sec. 24 to read:

Sec. 24. [Deleted.]

Fourth: In Sec. 35 (health insurance; study), by striking out subsection (b) in its entirety and inserting in lieu thereof two new subsections to be subsections (b) and (c) to read:

(b) On or before November 1, 2015, the Director of Health Care Reform in the Agency of Administration shall report to the Health Reform Oversight Committee, the House and Senate Committees on Education, the House Committee on Health Care, and the Senate Committee on Health and Welfare with options for:

(1) the design of health benefits for school employees that will not trigger the excise tax on high-cost, employer-sponsored insurance plans pursuant to 26 U.S.C. § 4980I; and

(2) ways to administer the school employees' health benefits, including possibly through the Vermont Education Health Initiative (VEHI), Vermont Health Connect (VHC), or through another applicable mechanism.

(c) When identifying and analyzing the options required by subsection (b) of this section, the Director shall consult with representatives of the Vermont – National Education Association, the Vermont School Boards' Association, VEHI, VHC, the Office of the Treasurer, and the Joint Fiscal Office.

### **Recess**

At ten o'clock and fifty-three minutes in the forenoon, the Speaker declared a recess until the fall of the gavel.

At one o'clock and five minutes in the afternoon, the Speaker called the House to order.

### **Consideration Resumed; Bill Amended, Third Reading Ordered**

#### **H. 361**

Consideration resumed on House bill entitled

An act relating to making amendments to education funding, education spending, and education governance;

Pending the question, Shall the bill be amended as recommended by Rep. Christie of Hartford? **Rep. Browning of Arlington** moved to amend the recommendation of amendment offered by Rep. Christie as follows:

First: In the second instance of Amendment, in Sec. 17, subsection (a) (integrated education systems), by striking out the following: “On or before July 1, 2019, the State shall provide educational opportunities” and inserting in lieu thereof the following: “The State intends to encourage the provision of educational opportunities”

Second: In the second instance of Amendment, in Sec. 17, subdivision (b)(1) (evaluation), in the first sentence, by striking out the words “Each district shall meet” and inserting in lieu thereof the words “A district may meet”

Third: In the second instance of Amendment, in Sec. 17, subdivision (b)(2) (study committee and report), in the first sentence, by striking out the following: “Except as provided in subsection (e) of this section, each district shall form a study committee” and inserting in lieu thereof the following: “Districts may form a study committee” and also in subdivision (b)(2), by striking out the second sentence beginning with the words “The Report shall” in its entirety

Fourth: In the second instance of Amendment, in Sec. 17, subdivision (b)(3) (submission of report and vote of electorate), in the second sentence, by striking out the following: “on or before November 30, 2017”

Fifth: In the second instance of Amendment, in Sec. 17, subsection (c), after the internal caption “Size and structure of integrated education systems.”, by inserting the following: “In order to be eligible for incentives under this act, an integrated education system shall adhere the following parameters and receive approval of the State Board of Education pursuant to subsection (d) of this act.”

Sixth: In the second instance of Amendment, in Sec. 17, by striking out subsections (e) (exceptions to requirement for study committee), (f) creation of integrated education systems), (g) (interstate school districts), and (h) (protections for nonoperating and operating districts) in their entirety

Pending the question, Shall the amendment proposed by Rep. Christie of Hartford be amended as proposed by Rep. Browning of Arlington? **Rep. Browning of Arlington** demanded the Yeas and Nays, which demand was sustained by the Constitutional number. The Clerk proceeded to call the roll and the question, Shall the amendment proposed by Rep. Christie of Hartford be amended as proposed by Rep. Browning of Arlington? was decided in the negative. Yeas, 62. Nays, 80.



## Those who voted in the affirmative are:

Bancroft of Westford	French of Randolph	Pearson of Burlington
Batchelor of Derby	Gamache of Swanton	Potter of Clarendon
Berry of Manchester	Gonzalez of Winooski	Quimby of Concord
Beyor of Highgate	Graham of Williamstown	Ryerson of Randolph
Branagan of Georgia	Haas of Rochester	Savage of Swanton
Brennan of Colchester	Hebert of Vernon	Scheuermann of Stowe
Briglin of Thetford	Helm of Fair Haven	Shaw of Pittsford
Browning of Arlington *	Higley of Lowell	Shaw of Derby
Burke of Brattleboro	Hooper of Montpelier	Sibilia of Dover
Canfield of Fair Haven	Komline of Dorset	Smith of New Haven
Chesnut-Tangerman of	Krebs of South Hero	Strong of Albany
Middletown Springs	LaClair of Barre Town	Tate of Mendon
Corcoran of Bennington	Lawrence of Lyndon	Terenzini of Rutland Town
Dame of Essex	Lefebvre of Newark	Toleno of Brattleboro
Davis of Washington	Marcotte of Coventry	Toll of Danville
Devereux of Mount Holly	Martel of Waterford	Troiano of Stannard
Dickinson of St. Albans	Martin of Wolcott	Turner of Milton
Town	McCormack of Burlington	Van Wyck of Ferrisburgh
Donahue of Northfield	McFaun of Barre Town	Woodward of Johnson
Eastman of Orwell	Murphy of Fairfax	Zagar of Barnard
Feltus of Lyndon	Myers of Essex	
Fiske of Enosburgh	Pearce of Richford	

## Those who voted in the negative are:

Ancel of Calais	Gage of Rutland City	McCullough of Williston
Bartholomew of Hartland	Grad of Moretown	Miller of Shaftsbury
Baser of Bristol	Greshin of Warren	Morris of Bennington
Beck of St. Johnsbury	Head of South Burlington	Morrissey of Bennington
Bissonnette of Winooski	Hubert of Milton	Mrowicki of Putney
Botzow of Pownal	Huntley of Cavendish	Nuovo of Middlebury
Buxton of Tunbridge	Jerman of Essex	Olsen of Londonderry
Carr of Brandon	Jewett of Ripton	O'Sullivan of Burlington
Christie of Hartford	Johnson of South Hero	Parent of St. Albans City
Clarkson of Woodstock	Juskiewicz of Cambridge	Partridge of Windham
Cole of Burlington	Keenan of St. Albans City	Patt of Worcester
Condon of Colchester	Kitzmiller of Montpelier	Poirier of Barre City
Connor of Fairfield	Klein of East Montpelier	Pugh of South Burlington
Conquest of Newbury	Krowinski of Burlington	Purvis of Colchester
Cupoli of Rutland City	Lalonde of South Burlington	Rachelson of Burlington
Dakin of Chester	Lanpher of Vergennes	Ram of Burlington
Dakin of Colchester	Lenes of Shelburne	Russell of Rutland City
Deen of Westminster	Lewis of Berlin	Sharpe of Bristol
Ellis of Waterbury	Lippert of Hinesburg	Sheldon of Middlebury
Emmons of Springfield	Long of Newfane	Stevens of Waterbury
Evans of Essex	Lucke of Hartford	Stuart of Brattleboro
Fagan of Rutland City	Macaig of Williston	Sullivan of Burlington
Forguites of Springfield	Manwaring of Wilmington	Sweaney of Windsor
Frank of Underhill	Masland of Thetford	Till of Jericho

Townsend of South	Walz of Barre City	Wright of Burlington
Burlington	Webb of Shelburne	Yantachka of Charlotte
Trieber of Rockingham	Willhoit of St. Johnsbury	Young of Glover

Those members absent with leave of the House and not voting are:

Burditt of West Rutland	McCoy of Poultney	Viens of Newport City
Donovan of Burlington	O'Brien of Richmond	
Fields of Bennington	Smith of Morristown	

**Rep. Browning of Arlington** explained her vote as follows:

“Mr. Speaker:

I vote yes to remove the unjustified state mandate for all school districts to re-organize. We should target our attention on schools and districts that are struggling rather than imposing this on all districts. This amendment keeps in place all incentives for voluntary mergers, but allows school districts to decide for themselves if they want to instead continue as they are.”

Thereupon, the recommendation of amendment offered by Rep. Christie of Hartford was agreed to.

Pending the question, Shall the bill be read the third time? **Reps. Buxton of Tunbridge, Juskiwicz of Cambridge, Komline of Dorset, Long of Newfane, Olsen of Londonderry and Sibia of Dover** moved to amend the bill as follows:

First: After Sec. 12 (small school support; effective fiscal year 2020), before the reader assistance, by inserting a new section to be Sec. 12a to read:

Sec. 12a. SMALL SCHOOL SUPPORT; METRICS

On or before July 1, 2018, the State Board of Education shall adopt and publish metrics by which it will make determinations whether to award small school support pursuant to 16 V.S.A. § 4015 on and after July 1, 2019, as amended by Sec. 12 of this act.

Second: By striking out Secs. 15 and 16 (publicly funded tuition; schools outside Vermont) and the related reader assistance in their entirety and inserting in lieu thereof the following:

Sec. 15. [Deleted.]

Sec. 16. [Deleted.]

Third: By striking out Secs. 27 (education spending cap) and 28 (sunset) in their entirety and inserting in lieu thereof new Secs. 27 and 28 to read:

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Sec. 27. EDUCATION SPENDING CAP

(a) Intent. It is the intent of the General Assembly that, to the extent possible, adherence to the education spending cap is accomplished by adjustment of the student-to-adult ratio.

(b) Definitions. As used in this section:

(1) "District allowable growth rate" means 2.0 percent divided by the district spending index.

(2) "District spending index" means a district's education spending per equalized pupil in the prior year divided by the statewide average education spending per equalized pupil in the prior year.

(c) Adjusted district education spending cap. Subject to Sec. 28 of this act and notwithstanding any other provision of law to the contrary, there shall be an adjusted district education spending cap amount for each school district that shall be determined in each fiscal year by multiplying the district's allowable growth rate by the greater of either:

(1) the total district education spending amount adopted in the previous year's budget; or

(2) the district education spending per equalized pupil amount adopted in the previous year's budget multiplied by the district's equalized pupil count in the current year.

(d) Nonoperating and partially operating districts.

(1) Nonoperating districts. Notwithstanding any other provisions of law, in the case of nonoperating districts, in no case shall elementary and secondary tuition, as appropriate, paid by a district exceed the highest amount of tuition paid by the district for one student in the fiscal year for which the amount is being determined, increased by the district allowable growth rate. A public school district shall not charge any additional tuition to the student, the student's parent or guardian, or the student's school district of residence, but may require the student or the student's parent or guardian to pay fees and other charges that nonpublicly funded students are also required to pay.

(2) Partially operating districts. If a district provides for the education of its resident students both by operating a school for all students in one or more grades and by paying tuition for all students in the remaining grade or grades, then:

(A) the cap set forth in subsection (c) of this section shall apply to that portion of the district's budget that is not attributable to tuition payments; and

(B) the cap set forth in subdivision (1) of this subsection (d) shall apply to that portion of the district's budget that is attributable to tuition payments.

(e) School budget. If any school district approves a budget that contains education spending in excess of the applicable cap described in subsection (c) of this section, then the budget shall be deemed to have failed to pass.

(f) Appeals.

(1) A school district shall have the right to appeal the amount of the education spending cap to the Secretary of Education if the appeal is submitted three months or more prior to the date that the school district votes on the budget. The Secretary shall make a determination to grant or deny an appeal within 30 days of receipt of an appeal, and his or her decision shall be final and not subject to review.

(2) The Secretary is authorized to grant an appeal for extraordinary expenses, including a 20 percent projected increase in the costs of special education needs and emergency infrastructure repair projects.

(3) The Secretary shall adopt guidelines to administer this subsection.

#### Sec. 28. EDUCATION SPENDING CAP; APPLICABILITY

The education spending cap in Sec. 27 of this act shall apply solely to proposed school budgets for fiscal years 2018 and 2019; provided, however:

(1) The cap shall apply to proposed school budgets for fiscal year 2018 only if the total statewide education spending in fiscal year 2017 increases by more than 2.95 percent above the total statewide education spending in fiscal year 2016.

(2) If the cap did not apply to proposed school budgets for fiscal year 2018, then the cap shall apply to proposed school budgets for fiscal year 2019 only if the total statewide education spending in fiscal year 2018 increases by more than 2.95 percent above the total statewide education spending in fiscal year 2017.

Fourth: In Sec. 36 (effective dates), in subsection (f), after the period, by inserting a second sentence to read: "Sec. 12a (small school support; metrics) shall take effect on July 1, 2015."

Fifth: In Sec. 36 (effective dates), by striking out subsection (i) (publicly funded tuition; schools outside Vermont; grandfathering) in its entirety and inserting in lieu thereof a new subsection (i) to read:

(i) [Deleted.]

Sixth: In Sec. 36 (effective dates), by striking out subsection (s) in its entirety and inserting in lieu thereof the following:

(s) Secs. 27 and 28 (education spending cap; creation; applicability) shall take effect on July 1, 2015.

(3) The Secretary shall adopt guidelines to administer this subsection.

Which was agreed to.

Pending the question, Shall the bill be read the third time? **Rep. Eastman of Orwell** moved to amend the bill as follows:

In Sec. 27 (caps), subsection (b), by adding a new subdivision to be subdivision (3) to read:

(3) "Education spending" shall have the same meaning as in 16 V.S.A. § 4001(6); provided, however, that "education spending" shall not include a district's or supervisory union's spending in connection with an employer payroll tax.

Thereupon, Rep. Eastman of Orwell asked and was granted leave of the House to withdraw her amendment.

Pending the question, Shall the bill be read the third time? **Rep. Emmons of Springfield** moved to amend the bill as follows:

First: In Sec. 19, sale of school buildings, by striking out the section in its entirety and inserting in lieu thereof the following:

Sec. 19. SALE OF SCHOOL BUILDINGS

(a) Notwithstanding 16 V.S.A. § 3448(b), the refund upon sale requirement shall not apply to:

(1) any union school district established under 16 V.S.A. chapter 11 on or after July 1, 2015; and

(2) any two or more districts that enter into a contract pursuant to 16 V.S.A. chapter 11, subchapter 1 on or after July 1, 2015 to operate a school jointly.

(b) As used in subsection (a) of this section, a union school district established under 16 V.S.A. chapter 11 includes any integrated education system that obtains a favorable vote of all "necessary" districts as provided in this act, and any regional education district (RED) or any other district eligible to receive RED incentives pursuant to 2010 Acts and Resolves No. 153, as amended by 2012 Acts and Resolves No. 156 and 2013 Acts and Resolves No. 56.

Second: By adding a Sec. 19a to read as follows:

Sec. 19a. REVIEW OF THE REFUND UPON SALE REQUIREMENT

(a) The Agency of Education shall conduct a review of the school districts subject to 16 V.S.A. § 3448(b). The review shall include:

(1) each school district that has received State aid for school construction;

(2) the total amount of State aid for school construction that has been refunded to the State;

(3) the percentage of the sale price that each school district would be required to refund to the State upon the sale of a school building; and

(4) a list of all school buildings that are not in use for any purpose.

(b) On or before December 1, 2015, the Agency of Education shall report to the House Committees on Education and on Corrections and Institutions and the Senate Committees on Education and on Institutions on the review described in subsection (a) of this section.

Third: By adding a Sec. 19b to read as follows:

Sec. 19b. SUNSET

Sec. 19 of this act (sale of school buildings) is repealed on November 30, 2017.

Which was agreed to.

Pending the question, Shall the bill be read the third time? **Rep. Browning of Arlington** moved to amend the bill as follows:

First: By adding a Sec. 35b to read as follows:

Sec. 35b. REPORT ON TAX CHANGES

(a) By January 15, 2016, the Joint Fiscal Office shall report to the General Assembly on how to make the following changes to Vermont's tax system:

(1) remove the costs to the Education Fund, both in terms of appropriated spending and foregone revenue, of Vermont's current use program under 32 V.S.A. chapter 124, and Vermont's system of property tax adjustments under 32 V.S.A. chapter 154;

(2) lower the education base rates to account for the reduced expense to the Education Fund resulting from subdivision (1); and

(3) pay for the increased expenses to the General Fund by moving Vermont's individual income tax from a base of federal taxable income to a

base of federal adjusted gross income and use the remainder of the extra revenue to reduce all income tax rates to the extent possible.

(b) The report under subsection (1) shall include an analysis of the fiscal impact of the proposed changes, and an explanation of the different options that could result in the changes in subsection (1).

Second: In Sec. 36 (effective dates), in subsection (a), by striking out the word “and” and inserting in lieu thereof “,”, and after “Sec. 1 (policy)” by inserting “, and Sec. 35b (tax proposal)”

Thereupon, Rep. Browning of Arlington asked and was granted leave of the House to withdraw her amendment.

Pending the question, Shall the bill be read the third time? **Reps. Komline of Dorset, Eastman of Orwell, Greshin of Warren, Olsen of Londonderry and Sibilia of Dover** moved to amend the bill as follows:

First: By striking out Sec. 26 and reader assistance in their entirety and inserting in lieu thereof a new Sec. 26 and reader assistance to read:

\* \* \* Unfunded Mandates; General Fund \* \* \*

Sec. 26. 16 V.S.A. § 4028(e) is added to read:

(e) On or before June 30 of each year, the Joint Fiscal Office shall determine the total dollar amount required for supervisory unions and school districts to perform all new unfunded mandates imposed upon them in the fiscal year beginning on July 1. The amount shall be added to the General Fund transfer in subdivision 4025(a)(2) of this title in the next fiscal year and in each subsequent fiscal year unless the General Assembly repeals the mandate. For each year that an increase is required under this subsection, the Administration shall explicitly identify the amount in the report required by 32 V.S.A. § 306. As used in this subsection, an “unfunded mandate” means a State statute or rule that requires a supervisory union or school district to perform certain actions for which no new source of funding or funding mechanism is provided.

Second: In Sec. 36, subsection (r), by striking out the word “moratorium” and inserting in lieu thereof the words “General Fund”

Pending the question, Shall the bill be amended as proposed by Rep. Komline of Dorset and others? **Rep. Hebert of Vernon** demanded the Yeas and Nays, which demand was sustained by the Constitutional number. The Clerk proceeded to call the roll and the question, Shall the bill be amended as proposed by Rep. Komline of Dorset and others? was decided in the affirmative. Yeas, 129. Nays, 13.

## Those who voted in the affirmative are:

Ancel of Calais	French of Randolph	O'Sullivan of Burlington
Bancroft of Westford	Gage of Rutland City	Parent of St. Albans City
Bartholomew of Hartland	Gamache of Swanton	Partridge of Windham
Baser of Bristol	Gonzalez of Winooski	Patt of Worcester
Beck of St. Johnsbury	Grad of Moretown	Pearce of Richford
Berry of Manchester	Graham of Williamstown	Pearson of Burlington
Beyor of Highgate	Greshin of Warren	Poirier of Barre City
Bissonnette of Winooski	Haas of Rochester	Potter of Clarendon
Botzow of Pownal	Head of South Burlington	Pugh of South Burlington
Branagan of Georgia	Hebert of Vernon	Purvis of Colchester
Brennan of Colchester	Hubert of Milton	Quimby of Concord
Briglin of Thetford	Huntley of Cavendish	Rachelson of Burlington
Browning of Arlington *	Jerman of Essex	Ram of Burlington
Burke of Brattleboro	Jewett of Ripton	Russell of Rutland City
Canfield of Fair Haven	Johnson of South Hero	Ryerson of Randolph
Carr of Brandon	Juskiewicz of Cambridge	Savage of Swanton
Chesnut-Tangerman of Middletown Springs	Keenan of St. Albans City	Scheuermann of Stowe
Christie of Hartford	Komline of Dorset	Sharpe of Bristol
Clarkson of Woodstock	Krebs of South Hero	Shaw of Pittsford
Cole of Burlington	Krowinski of Burlington	Shaw of Derby
Condon of Colchester	LaClair of Barre Town	Sheldon of Middlebury
Connor of Fairfield	Lalonde of South Burlington	Sibilia of Dover
Conquest of Newbury	Lanpher of Vergennes	Smith of New Haven
Copeland-Hanzas of Bradford	Lawrence of Lyndon	Strong of Albany
Corcoran of Bennington	Lefebvre of Newark	Stuart of Brattleboro
Cupoli of Rutland City	Lenes of Shelburne	Sullivan of Burlington
Dakin of Chester	Lewis of Berlin	Sweaney of Windsor
Dakin of Colchester	Lippert of Hinesburg	Tate of Mendon
Dame of Essex	Long of Newfane	Terenzini of Rutland Town
Davis of Washington	Lucke of Hartford	Toleno of Brattleboro
Deen of Westminster	Macaig of Williston	Toll of Danville
Devereux of Mount Holly	Manwaring of Wilmington	Townsend of South Burlington
Dickinson of St. Albans Town	Marcotte of Coventry	Troiano of Stannard
Donahue of Northfield	Martel of Waterford	Turner of Milton
Eastman of Orwell	Martin of Wolcott	Walz of Barre City
Ellis of Waterbury	Masland of Thetford	Webb of Shelburne
Emmons of Springfield	McCormack of Burlington	Willhoit of St. Johnsbury
Evans of Essex	Miller of Shaftsbury	Woodward of Johnson
Feltus of Lyndon	Morris of Bennington	Wright of Burlington *
Fiske of Enosburgh	Morrissey of Bennington	Yantachka of Charlotte
Forguites of Springfield	Mrowicki of Putney	Young of Glover
Frank of Underhill	Murphy of Fairfax	Zagar of Barnard
	Myers of Essex	
	Nuovo of Middlebury	
	Olsen of Londonderry	

## Those who voted in the negative are:

Batchelor of Derby	Buxton of Tunbridge	Fagan of Rutland City
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Helm of Fair Haven	Klein of East Montpelier	Trieber of Rockingham
Higley of Lowell	McCullough of Williston	Van Wyck of Ferrisburgh
Hooper of Montpelier *	Stevens of Waterbury	
Kitzmiller of Montpelier	Till of Jericho	

Those members absent with leave of the House and not voting are:

Burditt of West Rutland	McCoy of Poultney	Viens of Newport City
Donovan of Burlington	McFaun of Barre Town	
Fields of Bennington	O'Brien of Richmond	

**Rep. Browning of Arlington** explained her vote as follows:

“Mr. Speaker:

I support this amendment, but it is too little, too late – the state has already imposed millions of dollars of costs in unfunded mandates on school districts and supervisory unions that have already driven up property tax rates, for which this amendment does not require the state to take responsibility.”

**Rep. Hooper of Montpelier** explained her vote as follows:

“Mr. Speaker:

If we don't like unfunded mandates, let's fund them. Let's not go through contortions and put off the funding till a future time.”

**Rep. Wright of Burlington** explained his vote as follows:

“Mr. Speaker:

I voted yes because this amendment will help our local school boards and while we may impose caps on a temporary basis, we will stop adding costs to our over-burdened taxpayers. This is one of the ways that we show that we heard the message last November.”

Pending the question, Shall the bill be read a third time? **Rep. Savage of Swanton** demanded the Yeas and Nays, which demand was sustained by the Constitutional number. The Clerk proceeded to call the roll and the question, Shall the bill be read a third time? was decided in the affirmative. Yeas, 88. Nays, 55.

Those who voted in the affirmative are:

Ancel of Calais	Brennan of Colchester	Copeland-Hanzas of
Bancroft of Westford	Buxton of Tunbridge	Bradford
Bartholomew of Hartland	Carr of Brandon	Corcoran of Bennington
Baser of Bristol	Christie of Hartford	Cupoli of Rutland City
Beck of St. Johnsbury	Clarkson of Woodstock	Dakin of Colchester
Berry of Manchester	Cole of Burlington	Deen of Westminster
Bissonnette of Winooski	Condon of Colchester	Ellis of Waterbury
Botzow of Pownal	Conquest of Newbury	Emmons of Springfield

Evans of Essex	Lanpher of Vergennes	Rachelson of Burlington
Fagan of Rutland City	Lawrence of Lyndon	Ram of Burlington
Feltus of Lyndon	Lenes of Shelburne	Russell of Rutland City
Forguites of Springfield	Lewis of Berlin	Sharpe of Bristol
Frank of Underhill	Lippert of Hinesburg	Shaw of Pittsford
Gage of Rutland City	Long of Newfane	Sheldon of Middlebury
Grad of Moretown	Lucke of Hartford	Sibilia of Dover *
Greshin of Warren	Macaig of Williston	Stevens of Waterbury
Head of South Burlington	Manwaring of Wilmington	Sullivan of Burlington
Hubert of Milton	McCullough of Williston	Sweaney of Windsor
Huntley of Cavendish	Miller of Shaftsbury	Terenzini of Rutland Town
Jerman of Essex *	Morris of Bennington	Till of Jericho
Jewett of Ripton	Morrissey of Bennington	Toll of Danville
Johnson of South Hero	Myers of Essex	Townsend of South Burlington
Juskiewicz of Cambridge	Nuovo of Middlebury	Trieber of Rockingham
Keenan of St. Albans City	Olsen of Londonderry	Turner of Milton
Klein of East Montpelier *	O'Sullivan of Burlington	Walz of Barre City
Komline of Dorset	Partridge of Windham	Webb of Shelburne
Krebs of South Hero	Patt of Worcester	Willhoit of St. Johnsbury
Krowinski of Burlington	Poirier of Barre City	Wright of Burlington
LaClair of Barre Town	Pugh of South Burlington	Yantachka of Charlotte
Lalonde of South Burlington	Purvis of Colchester	

Those who voted in the negative are:

Batchelor of Derby	French of Randolph	Parent of St. Albans City
Beyor of Highgate	Gamache of Swanton	Pearce of Richford
Branagan of Georgia	Gonzalez of Winooski	Pearson of Burlington
Briglin of Thetford	Graham of Williamstown	Potter of Clarendon
Browning of Arlington	Haas of Rochester	Quimby of Concord
Burke of Brattleboro	Hebert of Vernon	Ryerson of Randolph
Canfield of Fair Haven	Helm of Fair Haven	Savage of Swanton
Chesnut-Tangerman of Middletown Springs	Higley of Lowell	Scheuermann of Stowe *
Connor of Fairfield	Hooper of Montpelier	Shaw of Derby
Dakin of Chester	Kitzmiller of Montpelier	Smith of New Haven
Dame of Essex	Lefebvre of Newark	Strong of Albany *
Davis of Washington	Marcotte of Coventry	Stuart of Brattleboro
Devereux of Mount Holly	Martel of Waterford	Tate of Mendon
Dickinson of St. Albans Town	Martin of Wolcott	Toleno of Brattleboro
Donahue of Northfield	Masland of Thetford	Troiano of Stannard
Eastman of Orwell	McCormack of Burlington	Van Wyck of Ferrisburgh
Fiske of Enosburgh	McFaun of Barre Town	Woodward of Johnson
	Mrowicki of Putney	Young of Glover
	Murphy of Fairfax	Zagar of Barnard

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Those members absent with leave of the House and not voting are:

Burditt of West Rutland  
Donovan of Burlington

Fields of Bennington  
McCoy of Poultney

O'Brien of Richmond  
Viens of Newport City

**Rep. Jerman of Essex** explained his vote as follows:

“Mr. Speaker:

I voted yes to help move our education governance structures from the 19th to the 21st century, and to slow the growth of property tax increases to a sustainable level. I want to thank all those members who joined together to make this a true bi-partisan effort.”

**Rep. Klein of East Montpelier** explained his vote as follows:

“Mr. Speaker:

I voted yes. Doing nothing is not an option. Change is hard. Hopefully this is the beginning of change. Property tax payers should see the steep rise in property taxes begin to level off. This is the key reason I supported the bill.”

**Rep. Scheuermann of Stowe** explained her vote as follows:

“Mr. Speaker:

This is not what Vermonters have been clamoring for. This is not what they sent us here to do.”

**Rep. Sibilia of Dover** explained her vote as follows:

“Mr. Speaker:

I voted in favor of this bill even though I am concerned about the aggressive and inadequately supported consolidation implementation plan outlined as well as the underlying presumption that consolidation will save money. Vermont per pupil spending data very clearly indicates this is not the case. However, I see this bill as the beginning of a process to rectify the educational inequities students throughout Vermont suffer as a result of the current structurally flawed funding mechanism. I intend to both closely monitor and contribute to this ongoing process.”

**Rep. Strong of Albany** explained her vote as follows:

“Mr. Speaker:

I voted no as my small schools are the heart and center of community activity. I believe that we should be expanding school choice in our state which would empower parents and students to find the best fit for their needs, give teachers, principals and school boards more control of their education, and lower costs over time. Other states are moving in the direction of offering

school choice to reform their education systems, and Vermont could be a leader in this exciting type of education reform.”

**Message from the Senate No. 38**

A message was received from the Senate by Mr. Marshall, its Assistant Secretary, as follows:

Mr. Speaker:

I am directed to inform the House that:

The Senate has considered a bill originating in the House of the following title:

**H. 240.** An act relating to miscellaneous technical corrections to laws governing motor vehicles, motorboats, and other vehicles.

And has passed the same in concurrence with proposal of amendment in the adoption of which the concurrence of the House is requested.

**Bill Read Second Time; Rules Suspended, Bill Amended;  
Consideration Interrupted by Recess**

**H. 35**

**Rep. Deen of Westminster**, for the committee on Fish, Wildlife & Water Resources, to which had been referred House bill, entitled

An act relating to improving the quality of State waters

Reported in favor of its passage when amended by striking all after the enacting clause and inserting in lieu thereof the following:

\* \* \* Purpose \* \* \*

**Sec. 1. PURPOSE; IMPROVEMENT OF WATER QUALITY**

It is the purpose of this act to:

(1) improve the quality of the waters of Vermont;

(2) authorize and prioritize proactive measures designed to implement and meet the impending total maximum daily load (TMDL) plan for Lake Champlain, meet impending TMDL plans for other State waters, and improve water quality across the State;

(3) identify and prioritize cost-effective strategies for the State to address water quality issues; and

(4) engage more municipalities, agricultural operations, businesses, and other interested parties as part of the State’s efforts to improve the quality of the waters of the State.

(5) provide mechanisms, staffing, and financing necessary for State waters to achieve and maintain compliance with the Vermont water quality standards.

\* \* \* Agricultural Water Quality;  
Definitions \* \* \*

Sec. 2. 6 V.S.A. § 4802 is amended to read:

§ 4802. ~~DEFINITION~~ DEFINITIONS

~~For purposes of~~ As used in this chapter, the word “secretary,” when used by itself, means the secretary of agriculture, food and markets;

(1) “Agency” means the Agency of Agriculture, Food and Markets.

(2) “Farming” shall have the same meaning as used in 10 V.S.A. § 6001(22).

(3) “Secretary” means the Secretary of Agriculture, Food and Markets.

(4) “Top of bank” means the point along the bank of a stream where an abrupt change in slope is evident, and where the stream is generally able to overflow the banks and enter the adjacent floodplain during an annual flood event. Annual flood event shall be determined according to the Agency of Natural Resources’ Flood Hazard Area and River Corridor Protection Procedure.

(5) “Waste” or “agricultural waste” means material originating or emanating from a farm that is determined by the Secretary or the Secretary of Natural Resources to be harmful to the waters of the State, including: sediments; minerals, including heavy metals; plant nutrients; pesticides; organic wastes, including livestock waste, animal mortalities, compost, feed and crop debris; waste oils; pathogenic bacteria and viruses; thermal pollution; silage runoff; untreated milkhouse waste; and any other farm waste as the term “waste” is defined in 10 V.S.A. § 1251 (12).

(6) “Water” shall have the same meaning as used in 10 V.S.A. § 1251(13).

\* \* \* Agricultural Water Quality;  
Small Farm Certification and Inspection \* \* \*

Sec. 3. 6 V.S.A. subchapter 5a is added to read:

Subchapter 5a. Small Farm Certification

§ 4871. SMALL FARM CERTIFICATION

(a) Small farm definition. As used in this section, “small farm” means a parcel or parcels of land used for farming that:

(1) includes 10 or more tillable acres of land;

(2) houses no more than the number of animals specified under section 4857 of this title; and

(3)(A) houses five or more livestock; or

(B) produced an annual gross income of \$10,000.00 or more from the sale of farm crops or farm products in one of the two, or three of the five, preceding calendar years.

(b) Required small farm certification. A person who owns or operates a small farm shall, on a form provided by the Secretary, certify compliance with the accepted agricultural practices. The Secretary of Agriculture, Food and Markets shall establish the requirements and manner of certification of compliance with the accepted agricultural practices, provided that the Secretary shall require an owner or operator of a farm to submit a certification of compliance with the accepted agricultural practices at least once every five years.

(c) Rulemaking; small farm certification. The Secretary of Agriculture, Food and Markets shall adopt by rule requirements for a small farm certification of compliance with the accepted agricultural practices. The rules required by this subsection shall be adopted as part of the accepted agricultural practices under section 4810 of this title.

(d) Small farm inspection. The Secretary may inspect a small farm in the State at any time for the purposes of assessing compliance by the small farm with the accepted agricultural practices and determining consistency with a certification of compliance submitted by the person who owns or operates the small farm. The Secretary may prioritize inspections of small farms in the State based on identified water quality issues posed by a small farm.

(e) Notice of change of ownership or change of lease. A person who owns or leases a small farm shall notify the Secretary of a change of ownership or change of lessee of a small farm within 30 days of the change. The notification shall include the certification of small farm compliance required under subsection (a) of this section.

(f)(1) Identification; ranking of water quality needs. During an inspection of a small farm under this section, the Secretary shall identify areas where the farm could benefit from capital, structural, or technical assistance in order to improve or come into compliance with the accepted agricultural practices and any applicable State water quality permit or certification required under this chapter.

(2) Notwithstanding the priority system established under section 4823 of this title, the Secretary annually shall establish a priority ranking system for small farms according to the water quality benefit associated with the capital, structural, or technical improvements identified as needed by the Secretary during an inspection of the farm.

(3) Notwithstanding the priority system established by subdivision (2) of this subsection, the Secretary may provide financial assistance to a small farm at any time, regardless of the priority ranking system, if the Secretary determines that the farm needs assistance to address a water quality issue that requires immediate abatement.

(g) Fees. A person required to submit a certification under this section shall submit an annual operating fee of \$250.00 to the Secretary. The fees collected under this section shall be deposited in the Agricultural Water Quality Special Fund under section 4803 of this title.

Sec. 4. 6 V.S.A. § 4810a is added to read:

§ 4810a. ACCEPTABLE AGRICULTURAL PRACTICES; REVISION

(a) On or before July 1, 2016, the Secretary of Agriculture, Food, and Markets shall amend the accepted agricultural practices in order to improve water quality in the State, assure practices on all farms eliminate adverse impacts to water quality, and implement the small farm certification program required by section 4858a of this title. At a minimum, the amendments to the accepted agricultural practices shall:

(1) Specify those farms that:

(A) are required to comply with the small certification requirements under section 4858a of this title; and

(B) shall be subject to the accepted agricultural practices, but shall not be required to comply with small farm certification requirements under section 4858a of this title.

(2)(A) Prohibit a farm from stacking manure, storing fertilizer, or storing other nutrients on the farm:

(i) in a manner and location that presents a threat of discharge to a water of the State or presents a threat of contamination to groundwater; or

(ii) on lands in a floodway or otherwise subject to regular flooding.

(B) In no case shall manure stacking sites, fertilizer storage, or other nutrient storage be located within 100 feet of a private well or within 100 feet of a water of the State.

(3) Require the construction and management of barnyards, waste management systems, animal holding areas, and production areas in a manner to prevent runoff of waste to a surface water, to groundwater, or across property boundaries.

(4) Establish standards for nutrient management on farms, including required nutrient management planning on all farms that manage agricultural wastes.

(5) Require cropland on the farm to be cultivated in a manner that results in an average soil loss of less than or equal to the soil loss tolerance for the prevalent soil, known as 1T, as calculated through application of the Revised Universal Soil Loss Equation, or through the application of similarly accepted models.

(6) Require a farm to comply with standards established by the Secretary for maintaining a vegetative buffer zone of perennial vegetation between annual croplands and the top of the bank of an adjoining water of the State. At a minimum the vegetative buffer standards established by the Secretary shall prohibit the application of manure on the farm within 25 feet of the top of the bank of an adjoining water of the State or within 10 feet of a ditch.

(7) Prohibit the construction or siting of a farm structure for the storage of manure, fertilizer, or pesticide storage within a floodway area identified on a National Flood Insurance Program Map on file with a town clerk.

(8) Regulate, in a manner consistent with the Agency of Natural Resources' flood hazard area and river corridor rules, the construction or siting of a farm structure or the storage of manure, fertilizer, or pesticides storage within a river corridor designated by the Secretary of Natural Resources.

(9) Establish standards for the exclusion of livestock from the waters of the State to prevent erosion and adverse water quality impacts.

(10) Establish standards for the management of subsurface agriculture tile drainage consistent with subsection (b) of this section.

(b) On or before January 15, 2018, the Secretary of Agriculture, Food and Markets shall amend the accepted agricultural practices in order to include requirements for reducing nutrient contribution to waters of the State from subsurface tile drainage. Upon adoption of requirements for subsurface tile drainage, the Secretary may require an existing subsurface tile drain to comply with the requirements of the AAPs for subsurface tile drainage upon a determination that compliance is necessary to reduce adverse impacts to water quality from the subsurface tile drain.



Sec. 5. REPORT ON MANAGEMENT OF SUBSURFACE TILE DRAINAGE

(a) The Secretary of Agriculture, Food and Markets and the Secretary of Natural Resources, after consultation with the U.S. Department of Agriculture's Natural Resource Conservation Service, shall submit a joint report to the House Committee on Fish, Wildlife and Water Resources, the Senate Committee on Natural Resources and Energy, the House Committee on Agriculture and Forest Products, and the Senate Committee on Agriculture regarding the status of current, scientific research relating to the environmental management of subsurface agriculture tile drainage and how subsurface agriculture tile drainage contributes to nutrient loading of surface waters. The report shall include a recommendation from the Secretary of Agriculture, Food and Markets and the Secretary of Natural Resources regarding how best to manage subsurface agriculture tile drainage in the State in order to mitigate and prevent the contribution of tile drainage to waters of the State.

(b) On or before January 15, 2016, the Secretary of Agriculture, Food and Markets and the Secretary of Natural Resources shall submit an interim report that summarizes the progress of the Secretaries in preparing the report required by this section. The Secretary of Agriculture, Food and Markets and the Secretary of Natural Resources shall submit the final report required by this section on or before January 15, 2017.

\* \* \* Agricultural Water Quality; Permit Fees \* \* \*

Sec. 6. 6 V.S.A. § 4803 is added to read:

§ 4803. AGRICULTURAL WATER QUALITY SPECIAL FUND

(a) There is created an Agricultural Water Quality Special Fund to be administered by the Secretary of Agriculture, Food and Markets. Fees collected under this chapter, including fees for permits or certifications issued under the chapter, shall be deposited in the Fund.

(b) The Secretary may use monies deposited in the Fund for the Secretary's implementation and administration of agricultural water quality programs or requirements established by this chapter, including to pay salaries of Agency staff necessary to implement the programs and requirements of this chapter.

(c) Notwithstanding the requirements of 32 V.S.A. § 588(3), interest earned by the Fund shall be retained in the Fund from year to year.

Sec. 7. 6 V.S.A. § 4851 is amended to read:

§ 4851. PERMIT REQUIREMENTS FOR LARGE FARM OPERATIONS

(a) No person shall, without a permit from the ~~secretary~~ Secretary, construct a new barn, or expand an existing barn, designed to house more than 700 mature dairy animals, 1,000 cattle or cow/calf pairs, 1,000 veal calves, 2,500 swine weighing over 55 pounds, 10,000 swine weighing less than 55 pounds, 500 horses, 10,000 sheep or lambs, 55,000 turkeys, 30,000 laying hens or broilers with a liquid manure handling system, 82,000 laying hens without a liquid manure handling system, 125,000 chickens other than laying hens without a liquid manure handling system, 5,000 ducks with a liquid manure handling system, or 30,000 ducks without a liquid manure handling system. No permit shall be required to replace an existing barn in use for livestock or domestic fowl production at its existing capacity. The ~~secretary of agriculture, food and markets~~ Secretary of Agriculture, Food and Markets, in consultation with the ~~secretary of natural resources~~ Secretary of Natural Resources, shall review any application for a permit under this section with regard to water quality impacts and, prior to approval of a permit under this subsection, shall issue a written determination regarding whether the applicant has established that there will be no unpermitted discharge to waters of the ~~state~~ State pursuant to the federal regulations for concentrated animal feeding operations. If upon review of an application for a permit under this subsection, the ~~secretary of agriculture, food and markets~~ Secretary of Agriculture, Food and Markets determines that the permit applicant may be discharging to waters of the ~~state~~ State, the ~~secretary of agriculture, food and markets~~ Secretary of Agriculture, Food and Markets and the ~~secretary of natural resources~~ Secretary of Natural Resources shall respond to the discharge in accordance with the memorandum of understanding regarding concentrated animal feeding operations under subsection ~~4810(b)~~ 4810 of this title. The ~~secretary of natural resources~~ Secretary of Natural Resources may require a large farm to obtain a permit under 10 V.S.A. § 1263 pursuant to federal regulations for concentrated animal feeding operations.

\* \* \*

(h) A person required to obtain a permit under this section shall submit an annual operating fee of \$2,500.00 to the Secretary. The fees collected under this section shall be deposited in the Agricultural Water Quality Special Fund under section 4803 of this title.

Sec. 8. 6 V.S.A. § 4858 is amended to read:

§ 4858. ANIMAL WASTE PERMITS MEDIUM FARM OPERATION

PERMITS

(a) No person shall operate a medium farm without authorization from the ~~secretary~~ Secretary pursuant to this section. Under exceptional conditions, specified in subsection ~~(e)~~(d) of this section, authorization from the ~~secretary~~ Secretary may be required to operate a small farm.

(b) Rules; general and individual permits. The ~~secretary~~ Secretary shall establish by rule, pursuant to 3 V.S.A. chapter 25 of Title 3, requirements for a “general permit” and “individual permit” to ~~ensure~~ assure that medium and small farms generating animal waste comply with the water quality standards of the ~~state~~ State.

\* \* \*

(2) The rules adopted under this section shall also address permit administration, public notice and hearing, permit enforcement, permit transition, revocation, and appeals consistent with provisions of sections 4859, 4860, and 4861 of this title and subchapter 10 of this chapter.

\* \* \*

(c)(1) Medium farm general permit. The owner or operator of a medium farm seeking coverage under a general permit adopted pursuant to this section shall certify to the ~~secretary~~ Secretary within a period specified in the permit, and in a manner specified by the ~~secretary~~ Secretary, that the medium farm does comply with permit requirements regarding an adequately sized and designed manure management system to accommodate the wastes generated and a nutrient management plan to dispose of wastes in accordance with accepted agricultural practices adopted under this chapter. Any certification or notice of intent to comply submitted under this subdivision shall be kept on file at the ~~agency of agriculture, food and markets~~ Agency of Agriculture, Food and Markets. The ~~secretary of agriculture, food and markets~~ Secretary of Agriculture, Food and Markets, in consultation with the ~~secretary of natural resources~~ Secretary of Natural Resources, shall review any certification or notice of intent to comply submitted under this subdivision with regard to the water quality impacts of the medium farm for which the owner or operator is seeking coverage, and, within 18 months of receiving the certification or notice of intent to comply, shall verify whether the owner or operator of the medium farm has established that there will be no unpermitted discharge to waters of the ~~state~~ State pursuant to the federal regulations for concentrated animal feeding operations. If upon review of a medium farm granted coverage under the general permit adopted pursuant to this subsection, the ~~secretary of agriculture, food and markets~~ Secretary of Agriculture, Food and Markets determines that the permit applicant may be discharging to waters of the ~~state~~ State, the ~~secretary of agriculture, food and markets~~ Secretary of Agriculture, Food and Markets and the ~~secretary of natural resources~~ Secretary of Natural

Resources shall respond to the discharge in accordance with the memorandum of understanding regarding concentrated animal feeding operations under ~~subsection 4810(b)~~ section 4810 of this title.

\* \* \*

(e) A person required to obtain a permit or coverage under this section shall submit an annual operating fee of \$1,500.00 to the Secretary. The fees collected under this section shall be deposited in the Agricultural Water Quality Special Fund under section 4803 of this title.

Sec. 9. 6 V.S.A. § 324 is amended to read:

§ 324. REGISTRATION AND FEES

(a) No person shall manufacture a commercial feed in this State unless that person has first filed with the Vermont Agency of Agriculture, Food and Markets, in a form and manner to be prescribed by rules by the Secretary:

- (1) the name of the manufacturer;
- (2) the manufacturer's place of business;
- (3) the location of each manufacturing facility; and
- (4) any other information which the Secretary considers to be necessary.

(b) A person shall not distribute in this State a commercial feed that has not been registered pursuant to the provisions of this chapter. Application shall be in a form and manner to be prescribed by rule of the Secretary. The application for registration of a commercial feed shall be accompanied by a registration fee of ~~\$85.00~~ \$100.00 per product. ~~The~~ Of the registration fees collected, ~~\$85.00 of each collected fee,~~ along with any surcharges collected under subsection (c) of this section, shall be deposited in the special fund created by subsection 364(e) of this title. Funds deposited in this account shall be restricted to implementing and administering the provisions of this title and any other provisions of the law relating to fertilizer, lime, or seeds. Of the registration fees collected, \$15.00 of each collected fee shall be deposited in the Agricultural Water Quality Special Fund created under section 4803 of this title. If the Secretary so requests, the application for registration shall be accompanied by a label or other printed matter describing the product.

(c) No person shall distribute in this State any feed required to be registered under this chapter upon which the Secretary has placed a withdrawal from distribution order because of nonregistration. A surcharge of \$10.00, in addition to the registration fee required by subsection (b) of this section, shall accompany the application for registration of each product upon which a withdrawal from distribution order has been placed for reason of

nonregistration, and must be received before removal of the withdrawal from distribution order.

Sec. 10. 6 V.S.A. § 328 is amended to read:

§ 328. TONNAGE REPORTING

(a) Every person who registers a commercial feed pursuant to the provisions of this chapter shall report to the ~~agency of agriculture, food and markets~~ Agency of Agriculture, Food and Markets annually the total amount of combined feed which is distributed within the state and which is intended for use within the ~~state~~ State. The report shall be made on forms and in a manner to be prescribed ~~by rules~~ by the ~~secretary~~ Secretary for calendar years ~~1986~~ 2016 and ~~1987~~ 2017.

(b) This reporting requirement shall not apply to pet foods, within the meaning of subdivisions 323(16) and (19) of this title, and shall not apply to feeds intended for use outside of the state.

Sec. 11. 6 V.S.A. § 366 is amended to read:

§ 366. TONNAGE FEES

(a) There shall be paid annually to the ~~secretary~~ Secretary for all fertilizers distributed to a nonregistrant consumer in this ~~state~~ State an annual ~~inspection~~ fee at a rate of \$0.25 cents per ton.

(b) Persons distributing fertilizer shall report annually by January 15 for the previous year ending December 31 to the ~~secretary~~ Secretary revealing the amounts of each grade of fertilizer and the form in which the fertilizer was distributed within this ~~state~~ State. Each report shall be accompanied with payment and written permission allowing the ~~secretary~~ Secretary to examine the person's books for the purpose of verifying tonnage reports.

(c) No information concerning tonnage sales furnished to the ~~secretary~~ Secretary under this section shall be disclosed in such a way as to divulge the details of the business operation to any person unless it is necessary for the enforcement of the provisions of this chapter.

(d) ~~A \$50.00 minimum tonnage fee shall be assessed on all distributors who distribute fertilizers in this state. [Repealed.]~~

(e) Agricultural limes, including agricultural lime mixed with wood ash, are exempt from the tonnage fees required in this section.

(f) Lime and wood ash mixtures may be registered as agricultural liming materials and guaranteed for potassium or potash provided that the wood ash totals less than 50 percent of the mixture.

(g) All fees collected under subsection (a) of this section shall be deposited in the revolving fund created by section 364(e) of this title and used in accordance with its provisions.

(h) There shall be paid annually to the Secretary for all fertilizers distributed to a nonregistrant consumer in this State an annual fee at a rate of \$15.00 per ton for the purpose of supporting agricultural water quality programs in Vermont.

(1) Persons distributing fertilizer shall report annually on or before January 15 for the previous year ending December 31 to the Secretary revealing the amounts of each grade of fertilizer and the form in which the fertilizer was distributed within this State. Each report shall be accompanied with payment and written permission allowing the Secretary to examine the person's books for the purpose of verifying tonnage reports.

(2) No information concerning tonnage sales furnished to the Secretary under this section shall be disclosed in such a way as to divulge the details of the business operation to any person unless it is necessary for the enforcement of the provisions of this chapter.

(3) A \$150.00 minimum tonnage fee shall be assessed on all distributors who distribute fertilizers in this State.

(4) Agricultural limes, including agricultural lime mixed with wood ash, are exempt from the tonnage fees required under this subsection.

(5) All fees collected under this subsection shall be deposited in the deposited in the Agricultural Water Quality Special Fund created under section 4803 of this title.

Sec. 12. 6 V.S.A. § 918 is amended to read:

§ 918. REGISTRATION

(a) Every economic poison which is distributed, sold, or offered for sale within this State or delivered for transportation or transported in intrastate commerce or between points within this State through any point outside this State shall be registered in the Office of the Secretary, and such registration shall be renewed annually; provided, that products which have the same formula, are manufactured by the same person, the labeling of which contains the same claims, and the labels of which bear a designation identifying the product as the same economic poison may be registered as a single economic poison; and additional names and labels shall be added by supplement statements during the current period of registration. It is further provided that any economic poison imported into this State, which is subject to the provisions of any federal act providing for the registration of economic poisons

and which has been duly registered under the provisions of this chapter, may, in the discretion of the Secretary, be exempted from registration under this chapter, when sold or distributed in the unbroken immediate container in which it was originally shipped. The registrant shall file with the Secretary a statement including:

(1) The name and address of the registrant and the name and address of the person whose name will appear on the label, if other than the registrant.

(2) The name of the economic poison.

(3) A complete copy of the labeling accompanying the economic poison and a statement of all claims to be made for it, including directions for use.

(4) If requested by the Secretary, a full description of the tests made and the results thereof upon which the claims are based. In the case of renewal of registration, a statement shall be required only with respect to information which is different from that furnished when the economic poison was registered or last re-registered.

(b) The registrant shall pay an annual fee of ~~\$110.00~~ \$125.00 for each product registered, and \$110.00 of that amount shall be deposited in the special fund created in section 929 of this title, of which \$5.00 from each product registration shall be used for an educational program related to the proper purchase, application, and disposal of household pesticides, and \$5.00 from each product registration shall be used to collect and dispose of obsolete and unwanted pesticides. Of the registration fees collected under this subsection, \$15.00 of the amount collected shall be deposited in the Agricultural Water Quality Special Fund created under section 4803 of this title. The annual registration year shall be from December 1 to November 30 of the following year.

\* \* \*

\* \* \* Agricultural Water Quality; Best Management Practices \* \* \*

Sec. 13. 6 V.S.A. § 4810 is amended to read:

§ 4810. AUTHORITY; COOPERATION; COORDINATION

(a) Agricultural land use practices. In accordance with 10 V.S.A. § 1259(i), the ~~secretary~~ Secretary shall adopt by rule, pursuant to 3 V.S.A. chapter 25 of Title 3, and shall implement and enforce agricultural land use practices in order to ~~reduce the amount of agricultural pollutants entering the waters of the state~~ satisfy the requirements of 33 U.S.C. § 1329 that the State identify and implement best management practices to control nonpoint sources of agricultural waste to waters of the State. These agricultural land use

practices shall be created in ~~two~~ three categories, pursuant to ~~subdivisions (1) and (2) of this subsection~~ subsections (b), (c), and (d) of this section.

~~(1)(b)~~ Accepted Agricultural Practices. “Accepted Agricultural Practices” (AAPs) shall be management standards to be followed in conducting agricultural activities by all persons engaged in farming in this state ~~State~~. These standards shall address activities which have a potential for causing pollutants to enter the groundwater and waters of the ~~state~~ State, including dairy and other livestock operations plus all forms of crop and nursery operations and on-farm or agricultural fairground, registered pursuant to 20 V.S.A. § 3902, livestock and poultry slaughter and processing activities. The AAPs shall include, as well as promote and encourage, practices for farmers in preventing pollutants from entering the groundwater and waters of the ~~state~~ State when engaged in, ~~but not limited to,~~ animal waste management and disposal, soil amendment applications, plant fertilization, and pest and weed control. Persons engaged in farming, ~~as defined in 10 V.S.A. § 6001,~~ who ~~follow~~ are in compliance with these practices shall be presumed to be in compliance with water quality standards. AAPs shall be practical and ~~cost~~ effective ~~cost-effective~~ to implement, as determined by the Secretary. The AAPs for groundwater shall include a process under which the ~~agency~~ Agency shall receive, investigate, and respond to a complaint that a farm has contaminated the drinking water or groundwater of a property owner.

(c) Enhanced Practices.

(1) As used in this subsection:

(A) “Enhanced practices” mean management standards for persons engaged in farming that exceed the requirements of the AAPs, and shall include cover cropping, conservation tillage, vegetative buffer zones adjacent to waters of the State based on site-specific conditions, and other management practices required by the Secretary.

(B) “Nutrient impaired watershed” means the watershed of a water of the State that is listed as impaired pursuant to 33 U.S.C. § 1313(d) and to which agricultural nutrients are a significant contributor of the impairment.

(2) The Secretary shall require a person engaged in farming to implement enhanced practices if, during inspection of a large farm, medium farm, or small farm located in a nutrient impaired watershed, the Secretary identifies areas on the farm with potential for the release, discharge, or runoff of nutrients or other pollutants to the waters of the State.

~~(2)(d) Best Management Practices.~~ ~~“Best Management Practices” (BMPs) may be required by the secretary on a case by case basis. Before requiring BMPs, the secretary shall determine that sufficient financial~~



~~assistance is available to assist farmers in achieving compliance with applicable BMPs. Best management practices (BMPs) are site-specific on-farm remedies implemented in order to address water quality problems and in order to achieve compliance with the requirements of this chapter or State water quality standards. The Secretary may require any person engaged in farming to implement a BMP. When requiring implementation of a BMP, the Secretary shall inform a person engaged in farming of the resources available to assist the person in implementing BMPs and complying with the requirements of this chapter. BMPs shall be practical and cost effective to implement, as determined by the Secretary, and shall be designed to achieve compliance with the requirements of this chapter.~~

~~(b)(e) Cooperation and coordination. The secretary of agriculture, food and markets Secretary of Agriculture, Food and Markets shall coordinate with the secretary of natural resources Secretary of Natural Resources in implementing and enforcing programs, plans, and practices developed for reducing and eliminating agricultural non-point source pollutants and discharges from concentrated animal feeding operations. The secretary of agriculture, food and markets Secretary of Agriculture, Food and Markets and the secretary of natural resources Secretary of Natural Resources shall develop a memorandum of understanding for the non-point program describing program administration, grant negotiation, grant sharing, and how they will coordinate watershed planning activities to comply with Public Law 92-500. The secretary of agriculture, food and markets Secretary of Agriculture, Food and Markets and the secretary of the agency of natural resources Secretary of Natural Resources shall also develop a memorandum of understanding according to the public notice and comment process of 10 V.S.A. § 1259(i) regarding the implementation of the federal concentrated animal feeding operation program and the relationship between the requirements of the federal program and the state State agricultural water quality requirements for large, medium, and small farms under this chapter 215 of this title. The memorandum of understanding shall describe program administration, permit issuance, an appellate process, and enforcement authority and implementation. The memorandum of understanding shall be consistent with the federal National Pollutant Discharge Elimination System permit regulations for discharges from concentrated animal feeding operations. The allocation of duties under this chapter between the secretary of agriculture, food and markets Secretary of Agriculture, Food and Markets and the secretary of natural resources Secretary of Natural Resources shall be consistent with the secretary's Secretary's duties, established under the provisions of 10 V.S.A. § 1258(b), to comply with Public Law 92-500. The secretary of natural resources Secretary of Natural Resources shall be the state State lead person in applying for federal funds under Public Law 92-500, but shall consult with the secretary of agriculture,~~

~~food and markets~~ Secretary of Agriculture, Food and Markets during the process. The agricultural non-point source program may compete with other programs for competitive watershed projects funded from federal funds. The ~~secretary of agriculture, food and markets~~ Secretary of Agriculture, Food and Markets shall be represented in reviewing these projects for funding. Actions by the ~~secretary of agriculture, food and markets~~ Secretary of Agriculture, Food and Markets under this chapter concerning agricultural non-point source pollution shall be consistent with the water quality standards and water pollution control requirements of 10 V.S.A. chapter 47 ~~of Title 10~~ and the federal Clean Water Act as amended. In addition, the ~~secretary of agriculture, food and markets~~ Secretary of Agriculture, Food and Markets shall coordinate with the ~~secretary of natural resources~~ Secretary of Natural Resources in implementing and enforcing programs, plans, and practices developed for the proper management of composting facilities when those facilities are located on a farm.

Sec. 14. 6 V.S.A. § 4813 is amended to read:

§ 4813. BASIN MANAGEMENT; APPEALS TO THE WATER RESOURCES BOARD ENVIRONMENTAL DIVISION

(a) The ~~secretary of agriculture, food and markets~~ Secretary of Agriculture, Food and Markets shall cooperate with the ~~secretary of natural resources~~ Secretary of Natural Resources in the basin planning process with regard to the agricultural non-point source waste component of each basin plan. Any person with an interest in the agricultural non-point source component of the basin planning process may petition the ~~secretary of agriculture, food and markets~~ Secretary of Agriculture, Food and Markets to require, and the ~~secretary~~ Secretary may require, best management practices in the individual basin beyond accepted agricultural practices adopted by rule, in order to achieve compliance with the water quality goals in 10 V.S.A. § 1250 and any duly adopted basin plan. The ~~secretary of agriculture, food and markets~~ Secretary of Agriculture, Food and Markets shall hold a public hearing within 60 days and shall issue a timely written decision that sets forth the facts and reasons supporting the decision.

(b) Any person engaged in farming that has been required by the ~~secretary of agriculture, food and markets~~ Secretary of Agriculture, Food and Markets to implement best management practices or any person who has petitioned the ~~secretary of agriculture, food and markets~~ Secretary of Agriculture, Food and Markets under subsection (a) of this section may appeal the ~~secretary of agriculture, food and market's~~ Secretary of Agriculture, Food and Markets' decision to the ~~environmental division~~ Environmental Division de novo.

~~(c) Before requiring best management practices under this section, the secretary of agriculture, food and markets or the board shall determine that sufficient financial assistance is available to assist farmers in achieving compliance with applicable best management practices. When requiring implementation of a best management practice, the Secretary shall inform a farmer of the resources available to assist the farmer in implementing the best management practice and complying with the requirements of this chapter.~~

\* \* \* Agricultural Water Quality; Training \* \* \*

Sec. 15. 6 V.S.A. chapter 215, subchapter 8 is added to read:

Subchapter 8. Agricultural Water Quality Training

§ 4981. AGRICULTURAL WATER QUALITY TRAINING

(a) The Secretary of Agriculture, Food and Markets shall adopt by procedure requirements for training classes or programs for owners or operators of small farms, medium farms, or large farms certified or permitted under this chapter regarding:

(1) the prevention of discharges, as that term is defined in 10 V.S.A. § 1251(3); and

(2) the mitigation and management of stormwater runoff, as that term is defined in 10 V.S.A. § 1264, from farms.

(b) Any training required by procedure under this section shall address:

(1) the existing statutory and regulatory requirements for operation of a large, medium, or small farm in the State;

(2) the management practices and technical and financial resources available to assist in compliance with statutory or regulatory agricultural requirements; and

(3) the land application of manure, nutrients, septage, or sludge; methods or techniques to minimize the runoff of land-applied manure, nutrients, or sludge to waters of the State; and identification of weather or soil conditions that increase the risk of runoff of land-applied manure, nutrients, septage, or sludge to waters of the State.

(c) The Secretary shall include the training required by this section as a condition of a large farm permit, medium farm permit, or small farm certification required under this chapter. The Secretary may phase in training requirements under this section based on farm size, permit or certification category, or available staffing. On or before January 1, 2016 the Secretary shall establish a schedule by which all owners or operators of small farms,

medium farms, or large farms shall complete the training required by this section.

\* \* \* Agricultural Water Quality;

Certification of Custom Applicators \* \* \*

Sec. 16. 6 V.S.A. chapter 215, subchapter 9 is added to read:

Subchapter 9. Certification of Custom Applicators of Manure, Nutrients, Septage, or Sludge

§ 4987. DEFINITIONS

As used in this subchapter:

(1) “Custom applicator” means the owner of a company engaged in the business of applying manure, nutrients, septage, or sludge to land and who charges or collects other consideration for the service. “Custom applicator” shall include employees of a custom applicator, when the employees apply manure, nutrients, septage, or sludge to land.

(2) “Manure” means livestock waste that may also contain bedding, spilled feed, water, or soil.

(3) “Septage” means the liquid and solid materials pumped from a septic tank or cesspool during cleaning.

(4) “Sludge” means any solid, semisolid, or liquid generated from a municipal, commercial, or industrial wastewater treatment plant or process, water supply treatment plant, air pollution control facility, or any other such waste having similar characteristics and effects.

§ 4988. CERTIFICATION OF CUSTOM APPLICATOR

(a) The Secretary of Agriculture, Food and Markets shall adopt by rule a process by which a custom applicator shall be certified to operate within the State. The certification process shall require a custom applicator to complete eight hours of training over each five-year period regarding:

(1) application methods or techniques to minimize the runoff of land-applied manure, nutrients, septage, or sludge to waters of the State; and

(2) identification of weather or soil conditions that increase the risk of runoff of land-applied manure, nutrients, septage, or sludge to waters of the State.

(b) A custom applicator shall not apply manure, nutrients, septage, or sludge unless certified by the Secretary of Agriculture, Food and Markets.

(c) The requirements of this section shall not apply to an owner or operator of a farm applying manure, nutrients, septage, or sludge to a field that he or she owns or controls, provided that the owner or operator has completed the agricultural water quality training required under section 4981 of this title.

\* \* \* Agricultural Water Quality; Enforcement; Corrective Actions \* \* \*

Sec. 17. 6 V.S.A. chapter 215, subchapter 10 is added to read:

Subchapter 10. Enforcement

§ 4991. PURPOSE

The purpose of this subchapter is to provide the Secretary of Agriculture, Food and Markets with the necessary authority to enforce the agricultural water quality requirements of this chapter. When the Secretary of Agriculture, Food and Markets determines that a person subject to the requirements of the chapter is violating a requirement of this chapter, the Secretary shall respond to and require discontinuance of the violation. The Secretary may respond to a violation of the requirements of this chapter by:

- (1) issuing a corrective action order under section 4992 of this title;
- (2) issuing a cease and desist order under section 4993 of this title;
- (3) issuing an emergency order under section 4993 of this title;
- (4) revoking or conditioning coverage under a permit or certification under section 4994 of this title;
- (5) bringing a civil enforcement action under section 4995 of this title;
- (6) referring the violation to the Secretary of Natural Resources for enforcement under 10 V.S.A. chapter 201; or
- (7) pursuing other action, such as consulting with a farmer, within the authority of the Secretary to assure discontinuance of the violation and remediation of any harm caused by the violation.

§ 4992. CORRECTIVE ACTIONS; ADMINISTRATIVE ENFORCEMENT

(a) When the Secretary of Agriculture, Food and Markets determines that a person is violating the requirements of this chapter, rules adopted under this chapter, or a permit or certification issued under this chapter, the Secretary may issue a written warning that shall be served in person or by certified mail, return receipt requested. A warning issued under this subsection shall include:

- (1) a description of the alleged violation;
- (2) identification of this section;

(3) identification of the applicable statute, rule, or permit condition violated;

(4) the required corrective actions that the person shall take to correct the violation; and

(5) a summary of federal and State assistance programs that may be utilized by the person to assist in correcting the violation.

(b) A person issued a warning under this section shall have 30 days to respond to the written warning and shall provide an abatement schedule for curing the violation and a description of the corrective action to be taken to cure the violation.

(c) If a person who receives a warning under this subsection fails to respond in a timely manner to the written warning or to take corrective action, the Secretary may act pursuant to section 4993 or section 4995 of this section in order to protect water quality.

§ 4993. ADMINISTRATIVE ENFORCEMENT; CEASE AND DESIST ORDERS; EMERGENCY ORDERS

(a) Notwithstanding the requirements of section 4992 of this title, the Secretary at any time may pursue one or more of the following enforcement actions:

(1) Issue a cease and desist order in accordance with the requirements of subsection (b) of this section to a person the Secretary believes to be in violation of the requirements of this chapter.

(2) Issue emergency administrative orders to protect water quality when an alleged violation, activity, or farm practice:

(A) presents an immediate threat of substantial harm to the environment or immediate threat to the public health or welfare;

(B) is likely to result in an immediate threat of substantial harm to the environment or immediate threat to the public health or welfare; or

(C) requires a permit or amendment to a permit issued under this chapter and a farm owner or operator has commenced an activity or is continuing an activity without a permit or permit amendment.

(3) Institute appropriate proceedings on behalf of the Agency of Agriculture, Food and Markets to enforce the requirements of this chapter, rules adopted under this chapter, or a permit or certification issued under this chapter.

(4) Order mandatory corrective actions, including a requirement to remove livestock from a farm or production area when the volume of waste

produced by livestock on the farm exceeds the infrastructure capacity of the farm or the production area to manage the waste or waste leachate and prevent runoff or leaching of wastes to waters of the State or groundwater, as required by this chapter.

(5) Seek administrative or civil penalties in accordance with the requirements of section 15, 16, 17, or 4995 of this title. Notwithstanding the requirements of section 15 of this title to the contrary, the maximum administrative penalty issued by the Secretary under this section shall not exceed \$5,000.00 for each violation, and the maximum amount of any administrative penalty assessed for separate and distinct violations of this chapter shall not exceed \$50,000.00.

(b) A person may request that the Secretary hold a hearing on a cease and desist order or an emergency order issued under this section within five days of receipt of the order. Upon receipt of a request for a hearing, the Secretary promptly shall set a date and time for a hearing. A request for a hearing on a cease and desist order or emergency order issued under this section shall not stay the order.

#### § 4994. PERMIT OR CERTIFICATION; REVOCATION; ENFORCEMENT

The Secretary may, after due notice and hearing, revoke or condition coverage under a general permit, an individual permit, a small farm certification, or other permit or certification issued under this chapter or rules adopted under this chapter when the person subject to the permit or certification fails to comply with a requirement of this chapter or any term, provision, or requirements of a permit or certification required by this chapter. The Secretary may also seek enforcement remedies and penalties under this subchapter against any person who fails to comply with any term, provision, or requirements of a permit or certification required by this chapter or who violates the terms or conditions of coverage under any general permit, any individual permit, or any certification issued under this chapter.

#### § 4995. CIVIL ENFORCEMENT

(a) The Secretary may bring an action in the Civil Division of the Superior Court to enforce the requirements of this chapter, or rules adopted under this chapter, or any permit or certification issued under this chapter, to assure compliance, and to obtain penalties in the amounts described in subsection (b) of this section. The action shall be brought by the Attorney General in the name of the State.

(b) The court may grant temporary and permanent injunctive relief, and may:

(1) Enjoin future activities.

(2) Order corrective actions to be taken to mitigate or curtail any violation and to protect human health or the environment, including the removal of livestock from the farm or production area when the volume of wastes produced by livestock exceeds the infrastructure capacity of the farm or its production area to manage the waste or waste leachate to prevent runoff or leaching of wastes to waters of the State or groundwater as required by the standards in this chapter.

(3) Order the design, construction, installation, operation, or maintenance of facilities designed to mitigate or prevent a violation of this chapter or to protect human health or the environment or designed to assure compliance.

(4) Fix and order compensation for any public or private property destroyed or damaged.

(5) Revoke coverage under any permit or certification issued under this chapter.

(6) Order reimbursement from any person who caused governmental expenditures for the investigation, abatement, mitigation, or removal of a hazard to human health or the environment.

(7) Levy a civil penalty as provided in this subdivision. A civil penalty of not more than \$85,000.00 may be imposed for each violation. In addition, in the case of a continuing violation, a penalty of not more than \$42,500.00 may be imposed for each day the violation continues. In fixing the amount of the penalty, the court shall apply the criteria set forth in subsections (e) and (f) of this section. The cost of collection of penalties or other monetary awards shall be assessed against and added to a penalty assessed against a respondent.

(c)(1) In any civil action brought under this section in which a temporary restraining order or preliminary injunction is sought, relief shall be obtained upon a showing that there is the probability of success on the merits and that:

(A) a violation exists; or

(B) a violation is imminent and substantial harm is likely to result.

(2) In a civil action brought under this section in which a temporary restraining order or preliminary injunction is sought, the Secretary need not demonstrate immediate and irreparable injury, loss, or damage.

(d) Any balancing of the equities in actions under this section may affect the time by which compliance shall be attained, but not the necessity of compliance within a reasonable period of time.



(e) In determining the amount of the penalty provided in subsection (b) of this section, the court shall consider the following:

(1) the degree of actual or potential impact on public health, safety, welfare, and the environment resulting from the violation;

(2) the presence of mitigating circumstances, including unreasonable delay by the Secretary in seeking enforcement;

(3) whether the respondent knew or had reason to know the violation existed;

(4) the respondent's record of compliance;

(5) the deterrent effect of the penalty;

(6) the State's actual costs of enforcement; and

(7) the length of time the violation has existed.

(f) In addition to any penalty assessed under subsection (b) of this section, the Secretary may also recapture economic benefit resulting from a violation.

#### § 4996. APPEALS; ENFORCEMENT

(a) Any person subject, under this subchapter, to an administrative enforcement order, an administrative penalty, or revocation of a permit or certification who is aggrieved by a final decision of the Secretary may appeal to the Superior Court within 30 days of the decision. The administrative judge may specially assign an environmental judge to Superior Court for the purpose of hearing an appeal.

(b) If the Secretary issues an emergency order under this chapter, the person subject to the order may request a hearing before the Superior Court. Notice of the request for hearing under this subdivision shall be filed with the Superior Court and the Secretary within five days of receipt of the order. A hearing on the emergency order shall be held at the earliest possible time and shall take precedence over all other hearings. The hearing shall be held within five days of receipt of the notice of the request for hearing. A request for hearing on an emergency order shall not stay the order. The Superior Court shall issue a decision within five days from the conclusion of the hearing, and no later than 30 days from the date the notice of request for hearing was received by the person subject to the order.

Sec. 18. 6 V.S.A. § 4812 is amended to read:

#### § 4812. CORRECTIVE ACTIONS

~~(a) When the Secretary of Agriculture, Food and Markets determines that a person engaged in farming is managing a farm using practices which are~~

~~inconsistent with the requirements of this chapter or rules adopted under this subchapter, the Secretary may issue a written warning which shall be served in person or by certified mail, return receipt requested. The warning shall include a brief description of the alleged violation, identification of this statute and applicable rules, a recommendation for corrective actions that may be taken by the person, along with a summary of federal and State assistance programs which may be utilized by the person to remedy the violation. The person shall have 30 days to respond to the written warning and shall provide an abatement schedule for curing the violation and a description of the corrective action to be taken to cure the violation. If the person fails to respond to the written warning within this period or to take corrective action to change the practices, the Secretary may act pursuant to subsection (b) of this section in order to protect water quality.~~

~~(b) The Secretary may:~~

~~(1) issue cease and desist orders and administrative penalties in accordance with the requirements of sections 15, 16, and 17 of this title; and~~

~~(2) institute appropriate proceedings on behalf of the Agency to enforce this subchapter.~~

~~(c) Whenever the Secretary believes that any person engaged in farming is in violation of this subchapter or rules adopted thereunder, an action may be brought in the name of the Agency in a court of competent jurisdiction to restrain by temporary or permanent injunction the continuation or repetition of the violation. The court may issue temporary or permanent injunctions, and other relief as may be necessary and appropriate to curtail any violations.~~

~~(d) [Repealed.]~~

~~(e) Any person subject to an enforcement order or an administrative penalty who is aggrieved by the final decision of the Secretary may appeal to the Superior Court within 30 days of the decision. The administrative judge may specially assign an Environmental judge to Superior Court for the purpose of hearing an appeal. [Repealed.]~~

Sec. 19. 6 V.S.A. § 4854 is amended to read:

§ 4854. **REVOCATION; ENFORCEMENT**

~~The secretary may revoke a permit issued under this subchapter after following the same process prescribed by section 2705 of this title regarding the revocation of a handler's license. The secretary may also seek enforcement remedies under sections 1, 12, 13, 16, and 17 of this title as well as assess an administrative penalty under section 15 of this title to any person who fails to apply for a permit as required by this subchapter, or who violates the terms or~~

~~conditions of a permit issued under this subchapter. However, notwithstanding the provisions of section 15 of this title to the contrary, the maximum administrative penalty assessed for a violation of this subchapter shall not exceed \$5,000.00 for each violation, and the maximum amount of any penalty assessed for separate and distinct violations of this chapter shall not exceed \$50,000.00. [Repealed.]~~

Sec. 20. 6 V.S.A. § 4860 is amended to read:

§ 4860. REVOCATION; ENFORCEMENT

~~(a) The secretary may revoke coverage under a general permit or an individual permit issued under this subchapter after following the same process prescribed by section 2705 of this title regarding the revocation of a handler's license. The secretary may also seek enforcement remedies under sections 1, 11, 12, 13, 16, and 17 of this title as well as assess an administrative penalty under section 15 of this title from any person who fails to comply with any permit provision as required by this subchapter or who violates the terms or conditions of coverage under any general permit or any individual permit issued under this subchapter. However, notwithstanding provisions of section 15 of this title to the contrary, the maximum administrative penalty assessed for a violation of this subchapter shall not exceed \$5,000.00 for each violation, and the maximum amount of any penalty assessed for separate and distinct violations of this chapter shall not exceed \$50,000.00.~~

~~(b) Any person who violates any provision of this subchapter or who fails to comply with any order or the terms of any permit issued in accordance with this subchapter shall be fined not more than \$10,000.00 for each violation. Each violation may be a separate offense and, in the case of a continuing violation, each day's continuance may be deemed a separate offense.~~

~~(c) Any person who knowingly makes any false statement, representation, or certification in any application, record, report, plan, or other document filed or required to be maintained by this subchapter or by any permit, rule, regulation, or order issued under this subchapter, or who falsifies, tampers with, or knowingly renders inaccurate any monitoring device or method required to be maintained by this subchapter or by any permit, rule, regulation, or order issued under this subchapter shall upon conviction be punished by a fine of not more than \$5,000.00 for each violation. Each violation may be a separate offense and, in the case of a continuing violation, each day's continuance may be deemed a separate offense. [Repealed.]~~

## \* \* \* Stream Alteration; Agricultural Activities \* \* \*

Sec. 21. 10 V.S.A. § 1021 is amended to read:

## § 1021. ALTERATION PROHIBITED; EXCEPTIONS

(a) A person shall not change, alter, or modify the course, current, or cross section of any watercourse or of designated outstanding resource waters, within or along the boundaries of this State either by movement, fill, or excavation of ten cubic yards or more of instream material in any year, unless authorized by the Secretary. A person shall not establish or construct a berm in a flood hazard area or river corridor, as those terms are defined in subdivisions 752(3) and (11) of this title, unless permitted by the Secretary or constructed as an emergency protective measure under subsection (b) of this section.

\* \* \*

(f) This subchapter shall not apply to:

(1) ~~accepted agricultural or silvicultural practices, as defined by the Secretary of Agriculture, Food and Markets, or timber harvesting activities in compliance with the acceptable management practices for maintaining water quality on logging jobs in Vermont, as adopted by the Commissioner of Forests, Parks and Recreation, respectively; or~~

(2) a farm that is implementing an approved U.S. Department of Agriculture Natural Resource Conservation Service streambank stabilization project or a streambank stabilization project approved by the Secretary of Agriculture, Food and Markets that is consistent with policies adopted by the Secretary of Natural Resources to reduce fluvial erosion hazards.

\* \* \*

\* \* \* Use Value Appraisal; Compliance with  
Accepted Agricultural Practices \* \* \*

Sec. 22. 32 V.S.A. § 3756(i) is amended to read:

(i)(1) The Director shall remove from use value appraisal an entire parcel of managed ~~forest land~~ forestland and notify the owner ~~in accordance with the procedure in subsection (b) of this section~~ when the ~~Department~~ Commissioner of Forests, Parks and Recreation has not received a management activity report or has received an adverse inspection report, unless the lack of conformance consists solely of the failure to make prescribed planned cutting. In that case, the Director may delay removal from use value appraisal for a period of one year at a time to allow time to bring the parcel into conformance with the plan.

(2)(A) The Director shall remove from use value appraisal an entire parcel or parcels of agricultural land and farm buildings identified by the Secretary of Agriculture, Food and Markets as being used by a person:

(i) found, after administrative hearing, or contested judicial hearing or motion, to be in violation of water quality requirements established under 6 V.S.A. chapter 215, or any rules adopted or any permit or certification issued under 6 V.S.A. chapter 215; or

(ii) who is not in compliance with the terms of an administrative or court order issued under 6 V.S.A. chapter 215, subchapter 10 to remedy a violation of the requirements of 6 V.S.A. chapter 215 or any rules adopted or any permit or certification issued under 6 V.S.A. chapter 215.

(B) The Director shall notify the owner that agricultural land or a farm building has been removed from use value appraisal by mailing notification of removal to the owner or operator's last and usual place of abode. After removal of agricultural land or a farm building from use value appraisal under this section, the Director shall not consider a new application for use value appraisal for the agricultural land or farm building until the Secretary of Agriculture, Food and Markets submits to the Director a certification that the owner or operator of the agricultural land or farm building is complying with the water quality requirements of 6 V.S.A. chapter 215 or an order issued under 6 V.S.A. chapter 215. After submission of a certification by the Secretary of Agriculture, Food and Markets, an owner or operator shall be eligible to apply for enrollment of the agricultural land or farm building according to the requirements of section 3756 of this title.

Sec. 23. 32 V.S.A. § 3758 is amended to read:

§ 3758. APPEALS

(a) Whenever the Director denies in whole or in part any application for classification as agricultural land or managed forestland or farm buildings, or grants a different classification than that applied for, or the Director or assessing officials fix a use value appraisal or determine that previously classified property is no longer eligible or that the property has undergone a change in use, the aggrieved owner may appeal the decision of the Director to the Commissioner within 30 days of the decision, and from there to Superior Court in the county in which the property is located.

\* \* \*

(e) When the Director removes agricultural land or a farm building pursuant to notification from the Secretary of Agriculture, Food and Markets under section 3756 of this title, the exclusive right of appeal shall be as provided in 6 V.S.A. § 4996(a).

Sec. 24. 32 V.S.A. § 3752(5) is amended to read:

(5) “Development” means, for the purposes of determining whether a land use change tax is to be assessed under section 3757 of this chapter, the construction of any building, road, or other structure, or any mining, excavation, or landfill activity. “Development” also means the subdivision of a parcel of land into two or more parcels, regardless of whether a change in use actually occurs, where one or more of the resulting parcels contains less than 25 acres each; but if subdivision is solely the result of a transfer to one or more of a spouse, parent, grandparent, child, grandchild, niece, nephew, or sibling of the transferor, or to the surviving spouse of any of the foregoing, then “development” shall not apply to any portion of the newly created parcel or parcels which qualifies for enrollment and for which, within 30 days following the transfer, each transferee or transferor applies for reenrollment in the use value appraisal program. “Development” also means the cutting of timber on property appraised under this chapter at use value in a manner contrary to a forest or conservation management plan as provided for in subsection 3755(b) of this title during the remaining term of the plan, or contrary to the minimum acceptable standards for forest management if the plan has expired; or a change in the parcel or use of the parcel in violation of the conservation management standards established by the Commissioner of Forests, Parks and Recreation. “Development” also means notification of the Director by the Secretary of Agriculture, Food and Markets under section 3756 of this title that the owner or operator of agricultural land or a farm building is violating the water quality requirements of 6 V.S.A. chapter 215 or is failing to comply with the terms of an order issued under 6 V.S.A. chapter 215, subchapter 10. The term “development” shall not include the construction, reconstruction, structural alteration, relocation, or enlargement of any building, road, or other structure for farming, logging, forestry, or conservation purposes, but shall include the subsequent commencement of a use of that building, road, or structure for other than farming, logging, or forestry purposes.

\* \* \* Agency of Natural Resources Basin Planning \* \* \*

Sec. 25. 10 V.S.A. § 1253 is amended to read:

§ 1253. CLASSIFICATION OF WATERS DESIGNATED,  
RECLASSIFICATION

\* \* \*

(d)(1) The Through the process of basin planning, the Secretary shall determine what degree of water quality and classification should be obtained and maintained for those waters not classified by the Board before 1981 following the procedures in sections 1254 and 1258 of this title. Those waters shall be classified in the public interest. The Secretary shall prepare and

maintain an overall surface water management plan to assure that the State water quality standards are met in all State waters. The surface water management plan shall include a schedule for updating the basin plans. The Secretary, in consultation with regional planning commissions and natural resource conservation districts, shall revise all ~~47~~ 15 basin plans by January 1, 2006, and update ~~them every five years thereafter~~ the basin plans on a five-year rotating basis. On or before January 1 15 of each year, the Secretary shall report to the House Committees on Agriculture and Forest Products, on Natural Resources and Energy, and on Fish, Wildlife and Water Resources, and to the Senate Committees on Agriculture and on Natural Resources and Energy regarding the progress made and difficulties encountered in revising basin plans. ~~By January 1, 1993, the Secretary shall prepare an overall management plan to ensure that the water quality standards are met in all State waters.~~ The report shall include a schedule for the production of basin plans in the subsequent calendar year and a summary of actions to be taken over the subsequent three years. The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the report to be made under this subsection.

(2) In developing a basin plan under this subsection, the Secretary shall:

(A) assure that municipal officials, citizens, watershed groups, and other interested groups and individuals are involved in the basin planning process;

(B) assure regional and local input in State water quality policy development and planning processes;

(C) provide education to municipal officials and citizens regarding the basin planning process; and

(D) develop, in consultation with the applicable regional planning commission, an analysis and formal recommendation on conformance with the goals and objectives of applicable regional plans.

(3) The Secretary may contract with a regional planning commission to assist in or to produce a basin plan under the schedule set forth in subdivision (1) of this subsection. When contracting with a regional planning commission to assist in or produce a basin plan, the Secretary may require the regional planning commission to:

(A) conduct any of the activities required under subdivision (2) of this subsection;

(B) provide technical assistance and data collection activities to inform municipal officials and the State in making water quality investment decisions;

(C) coordinate municipal planning and adoption or implementation of municipal development regulations to better meet State water quality policies and investment priorities;

(D) assist the Secretary in implementing a project evaluation process to prioritize water quality improvement projects within the region to assure cost effective use of State and federal funds;

(e) In determining the question of public interest, the Secretary shall give due consideration to, and explain his or her decision with respect to, the following:

- (1) existing and obtainable water qualities;
- (2) existing and potential use of waters for public water supply, recreational, agricultural, industrial, and other legitimate purposes;
- (3) natural sources of pollution;
- (4) public and private pollution sources and the alternative means of abating the same;
- (5) consistency with the State water quality policy established in 10 V.S.A. § 1250;
- (6) suitability of waters as habitat for fish, aquatic life, and wildlife;
- (7) need for and use of minimum streamflow requirements;
- (8) federal requirements for classification and management of waters;
- (9) consistency with applicable municipal, regional, and State plans; and
- (10) any other factors relevant to determine the maximum beneficial use and enjoyment of waters.

(f) Notwithstanding the provisions of subsection (c) of this section, when reclassifying waters to Class A, the Secretary need find only that the reclassification is in the public interest.

(g) The Secretary under the reclassification rule may grant permits for only a portion of the assimilative capacity of the receiving waters, or may permit only indirect discharges from on-site disposal systems, or both.

Sec. 26. 24 V.S.A. § 4302 is amended to read:

§ 4302. PURPOSE; GOALS

\* \* \*

(b) It is also the intent of the Legislature that municipalities, regional planning commissions, and State agencies shall engage in a continuing planning process that will further the following goals:



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\* \* \*

(c) In addition, this chapter shall be used to further the following specific goals:

\* \* \*

(6) To maintain and improve the quality of air, water, wildlife, and land resources.

(A) Vermont's air, water, wildlife, mineral and land resources should be planned for use and development according to the principles set forth in 10 V.S.A. § 6086(a).

(B) Vermont's water quality should be maintained and improved according to the policies and actions developed in the basin plans established by the Secretary of Natural Resources under 10 V.S.A. § 1253.

\* \* \*

Sec. 27. 24 V.S.A. § 4348(c) is amended to read:

(c) At least 30 days prior to the first hearing, a copy of the proposed plan or amendment, with a request for general comments and for specific comments with respect to the extent to which the plan or amendment is consistent with the goals established in section 4302 of this title, shall be delivered with proof of receipt, or sent by certified mail, return receipt requested, to each of the following:

(1) the chair of the legislative body of each municipality within the region;

(2) the executive director of each abutting regional planning commission;

(3) the Department of Housing and Community Development within the Agency of Commerce and Community Development; ~~and~~

(4) business, conservation, low income advocacy, and other community or interest groups or organizations that have requested notice in writing prior to the date the hearing is warned; and

(5) The Agency of Natural Resources and the Agency of Agriculture, Food and Markets.

Sec. 28. 24 V.S.A. § 4348a(a) is amended to read:

(a) A regional plan shall be consistent with the goals established in section 4302 of this title and shall include the following:

\* \* \*

(6) A statement of policies on the:

(A) preservation of rare and irreplaceable natural areas, scenic and historic features and resources; and

(B) protection and improvement of the quality of waters of the State to be used in the development and furtherance of the applicable basin plans established by the Secretary of Natural Resources under 10 V.S.A. § 1253;

\* \* \*

\* \* \* Antidegradation Policy Implementation Rule \* \* \*

Sec. 29. 10 V.S.A. § 1251a(c) is amended to read:

(c) On or before ~~January 15, 2008~~ July 1, 2016, the Secretary of Natural Resources shall ~~propose draft rules for~~ adopt by rule an implementation process for the antidegradation policy in the water quality standards of the State. The implementation process for the antidegradation policy shall be consistent with the State water quality policy established in section 1250 of this title, the Vermont Water Quality Standards, and any applicable requirements of the federal Clean Water Act. ~~On or before July 1, 2008, a final proposal of the rules for an implementation process for the antidegradation policy shall be filed with the Secretary of State under 3 V.S.A. § 841.~~

\* \* \* Stormwater Management \* \* \*

Sec. 30. 10 V.S.A. § 1264 is amended to read:

§ 1264. STORMWATER MANAGEMENT

~~(a) The General Assembly finds that the management of stormwater runoff is necessary to reduce stream channel instability, pollution, siltation, sedimentation, and local flooding, all of which have adverse impacts on the water and land resources of the State. The General Assembly intends, by enactment of this section, to reduce the adverse effects of stormwater runoff. The General Assembly determines that this intent may best be attained by a process that: assures broad participation; focuses upon the prevention of pollution; relies on structural treatment only when necessary; establishes and maintains accountability; tailors strategies to the region and the locale; assures an adequate funding source; builds broadbased programs; provides for the evaluation and appropriate evolution of programs; is consistent with the federal Clean Water Act and the State water quality standards; and accords appropriate recognition to the importance of community benefits that accompany an effective stormwater runoff management program. In furtherance of these purposes, the Secretary shall implement two stormwater permitting programs. The first program is based on the requirements of the federal National~~

~~Pollutant Discharge Elimination System (NPDES) permit program in accordance with section 1258 of this title. The second program is a State permit program based on the requirements of this section for the discharge of "regulated stormwater runoff" as that term is defined in subdivision (11) of this subsection. As used in this section:~~

~~(1) "2002 Stormwater Management Manual" means the Agency of Natural Resources' Stormwater Management Manual dated April 2002, as amended from time to time by rule.~~

~~(2) "Best management practice" (BMP) means a schedule of activities, prohibitions of practices, maintenance procedures, and other management practices to prevent or reduce water pollution.~~

~~(3) "Development" means the construction of impervious surface on a tract or tracts of land where no impervious surface previously existed.~~

~~(4) "Existing stormwater discharge" means a discharge of regulated stormwater runoff which first occurred prior to June 1, 2002 and that is subject to the permitting requirements of this chapter.~~

~~(5) "Expansion" and "the expanded portion of an existing discharge" mean an increase or addition of impervious surface, such that the total resulting impervious area is greater than the minimum regulatory threshold. Expansion does not mean an increase or addition of impervious surface of less than 5,000 square feet.~~

~~(6) "Impervious surface" means those manmade surfaces, including paved and unpaved roads, parking areas, roofs, driveways, and walkways, from which precipitation runs off rather than infiltrates.~~

~~(7) "New stormwater discharge" means a new or expanded discharge of regulated stormwater runoff, subject to the permitting requirements of this chapter, which first occurs after June 1, 2002 and has not been previously authorized pursuant to this chapter.~~

~~(8) "Offset" means a State permitted or approved action or project within a stormwater impaired water that a discharger or a third person may complete to mitigate the impacts that a discharge of regulated stormwater runoff has on the stormwater-impaired water.~~

~~(9) "Offset charge" means the amount of sediment load or hydrologic impact that an offset must reduce or control in the stormwater impaired water in which the offset is located.~~

~~(10) "Redevelopment" means the construction or reconstruction of an impervious surface where an impervious surface already exists when such new construction involves substantial site grading, substantial subsurface~~

excavation, or substantial modification of existing stormwater conveyance, such that the total of impervious surface to be constructed or reconstructed is greater than the minimum regulatory threshold. Redevelopment does not mean the construction or reconstruction of impervious surface where impervious surface already exists when the construction or reconstruction involves less than 5,000 square feet. Redevelopment does not mean public road management activities, including any crack sealing, patching, coldplaning, resurfacing, reclaiming, or grading treatments used to maintain pavement, bridges, and unpaved roads.

(11) ~~“Regulated stormwater runoff” means precipitation, snowmelt, and the material dissolved or suspended in precipitation and snowmelt that runs off impervious surfaces and discharges into surface waters or into groundwater via infiltration.~~

(12) ~~“Stormwater impact fee” means the monetary charge assessed to a permit applicant for the discharge of regulated stormwater runoff to a stormwater-impaired water that mitigates a sediment load level or hydrologic impact that the discharger is unable to control through on-site treatment or completion of an offset on a site owned or controlled by the permit applicant.~~

(13) ~~“Stormwater impaired water” means a State water that the Secretary determines is significantly impaired by discharges of regulated stormwater runoff.~~

(14) ~~“Stormwater runoff” means precipitation and snowmelt that does not infiltrate into the soil, including material dissolved or suspended in it, but does not include discharges from undisturbed natural terrain or wastes from combined sewer overflows.~~

(15) ~~“Total maximum daily load” (TMDL) means the calculations and plan for meeting water quality standards approved by the U.S. Environmental Protection Agency (EPA) and prepared pursuant to 33 U.S.C. § 1313(d) and federal regulations adopted under that law.~~

(16) ~~“Water quality remediation plan” means a plan, other than a TMDL or sediment load allocation, designed to bring an impaired water body into compliance with applicable water quality standards in accordance with 40 C.F.R. § 130.7(b)(1)(ii) and (iii).~~

(17) ~~“Watershed improvement permit” means a general permit specific to a stormwater-impaired water that is designed to apply management strategies to existing and new discharges and that includes a schedule of compliance no longer than five years reasonably designed to assure attainment of the Vermont water quality standards in the receiving waters.~~

~~(18) “Stormwater system” means the storm sewers; outfall sewers; surface drains; manmade wetlands; channels; ditches; wet and dry bottom basins; rain gardens; and other control equipment necessary and appurtenant to the collection, transportation, conveyance, pumping, treatment, disposal, and discharge of regulated stormwater runoff.~~

~~(19) “Net zero standard” means:~~

~~(A) A new discharge or the expanded portion of an existing discharge meets the requirements of the 2002 Stormwater Management Manual and does not increase the sediment load in the receiving stormwater impaired water; or~~

~~(B) A discharge from redevelopment; from an existing discharge operating under an expired stormwater discharge permit where the property owner applies for a new permit; or from any combination of development, redevelopment, and expansion meets on site the water quality, recharge, and channel protection criteria set forth in Table 1.1 of the 2002 Stormwater Management Manual that are determined to be technically feasible by an engineering feasibility analysis conducted by the Agency and if the sediment load from the discharge approximates the natural runoff from an undeveloped field or open meadow that is not used for agricultural activity.~~

~~(b) The Secretary shall prepare a plan for the management of collected stormwater runoff found by the Secretary to be deleterious to receiving waters. The plan shall recognize that the runoff of stormwater is different from the discharge of sanitary and industrial wastes because of the influence of natural events of stormwater runoff, the variations in characteristics of those runoffs, and the increased stream flows and natural degradation of the receiving water quality at the time of discharge. The plan shall be cost effective and designed to minimize any adverse impact of stormwater runoff to waters of the State. By no later than February 1, 2001, the Secretary shall prepare an enhanced stormwater management program and report on the content of that program to the House Committees on Fish, Wildlife and Water Resources and on Natural Resources and Energy and to the Senate Committee on Natural Resources and Energy. In developing the program, the Secretary shall consult with the Board, affected municipalities, regional entities, other State and federal agencies, and members of the public. The Secretary shall be responsible for implementation of the program. The Secretary’s stormwater management program shall include, at a minimum, provisions that:~~

~~(1) Indicate that the primary goals of the State program will be to assure compliance with the Vermont Water Quality Standards and to maintain after development, as nearly as possible, the predevelopment runoff characteristics.~~

~~(2) Allow for differences in hydrologic characteristics in different parts of the State.~~

~~(3) Incorporate stormwater management into the basin planning process conducted under section 1253 of this title.~~

~~(4) Assure consistency with applicable requirements of the federal Clean Water Act.~~

~~(5) Address stormwater management in new development and redevelopment.~~

~~(6) Control stormwater runoff from construction sites and other land disturbing activities.~~

~~(7) Indicate that water quality mitigation practices may be required for any redevelopment of previously developed sites, even when preredevelopment runoff characteristics are proposed to be maintained.~~

~~(8) Specify minimum requirements for inspection and maintenance of stormwater management practices.~~

~~(9) Promote detection and elimination of improper or illegal connections and discharges.~~

~~(10) Promote implementation of pollution prevention during the conduct of municipal operations.~~

~~(11) Provide for a design manual that includes technical guidance for the management of stormwater runoff.~~

~~(12) Encourage municipal governments to utilize existing regulatory and planning authority to implement improved stormwater management by providing technical assistance, training, research and coordination with respect to stormwater management technology, and by preparing and distributing a model local stormwater management ordinance.~~

~~(13) Promote public education and participation among citizens and municipalities about cost-effective and innovative measures to reduce stormwater discharges to the waters of the State.~~

~~(c) The Secretary shall submit the program report to the House Committees on Agriculture and Forest Products, on Transportation, and on Natural Resources and Energy and to the Senate Committees on Agriculture and on Natural Resources and Energy.~~

~~(d)(1) The Secretary shall initiate rulemaking by October 15, 2004, and shall adopt a rule for a stormwater management program by June 15, 2005. The rule shall be adopted in accordance with 3 V.S.A. chapter 25 and shall include:~~

~~(A) the regulatory elements of the program identified in subsection (b) of this section, including the development and use of offsets and the~~

~~establishment and imposition of stormwater impact fees to apply when issuing permits that allow regulated stormwater runoff to stormwater impaired waters;~~

~~(B) requirements concerning the contents of permit applications that include, at a minimum, for regulated stormwater runoff, the permit application requirements contained in the Agency's 1997 stormwater management procedures;~~

~~(C) a system of notifying interested persons in a timely way of the Agency's receipt of stormwater discharge applications, provided any alleged failures with respect to such notice shall not be relevant in any Agency permit decision or any appeals brought pursuant to section 1269 of this chapter;~~

~~(D) requirements concerning a permit for discharges of regulated stormwater runoff from the development, redevelopment, or expansion of impervious surfaces equal to or greater than one acre or any combination of development, redevelopment, and expansion of impervious surfaces equal to or greater than one acre; and~~

~~(E) requirements concerning a permit for discharges of regulated stormwater runoff from an impervious surface of any size to stormwater impaired waters if the Secretary determines that treatment is necessary to reduce the adverse impact of such stormwater discharges due to the size of the impervious surface, drainage patterns, hydraulic connectivity, existing stormwater treatment, or other factors identified by the Secretary.~~

~~(2) Notwithstanding 3 V.S.A. § 840(a), the Secretary shall hold at least three public hearings in different areas of the State regarding the proposed rule.~~

~~(e)(1) Except as otherwise may be provided in subsection (f) of this section, the Secretary shall, for new stormwater discharges, require a permit for discharge of, regulated stormwater runoff consistent with, at a minimum, the 2002 Stormwater Management Manual. The Secretary may issue, condition, modify, revoke, or deny discharge permits for regulated stormwater runoff, as necessary to assure achievement of the goals of the program and compliance with State law and the federal Clean Water Act. The permit shall specify the use of best management practices to control regulated stormwater runoff. The permit shall require as a condition of approval, proper operation, and maintenance of any stormwater management facility and submittal by the permittee of an annual inspection report on the operation, maintenance and condition of the stormwater management system. The permit shall contain additional conditions, requirements, and restrictions as the Secretary deems necessary to achieve and maintain compliance with the water quality standards, including requirements concerning recording, reporting, and monitoring the effects on receiving waters due to operation and maintenance of stormwater management facilities.~~

~~(2) As one of the principal means of administering an enhanced stormwater program, the Secretary may issue and enforce general permits. To the extent appropriate, such permits shall include the use of certifications of compliance by licensed professional engineers practicing within the scope of their engineering specialty. The Secretary may issue general permits for classes of regulated stormwater runoff permittees and may specify the period of time for which the permit is valid other than that specified in subdivision 1263(d)(4) of this title when such is consistent with the provisions of this section. General permits shall be adopted and administered in accordance with the provisions of subsection 1263(b) of this title. No permit is required under this section for:~~

~~(A) Stormwater runoff from farms subject to accepted agricultural practices adopted by the Secretary of Agriculture, Food and Markets;~~

~~(B) Stormwater runoff from concentrated animal feeding operations that require a permit under subsection 1263(g) of this chapter; or~~

~~(C) Stormwater runoff from silvicultural activities subject to accepted management practices adopted by the Commissioner of Forests, Parks and Recreation.~~

~~(3) Prior to issuing a permit under this subsection, the Secretary shall review the permit applicant's history of compliance with the requirements of this chapter. The Secretary may, at his or her discretion and as necessary to assure achievement of the goals of the program and compliance with State law and the federal Clean Water Act, deny an application for the discharge of regulated stormwater under this subsection if review of the applicant's compliance history indicates that the applicant is discharging regulated stormwater in violation of this chapter or is the holder of an expired permit for an existing discharge of regulated stormwater.~~

~~(f)(1) In a stormwater-impaired water, the Secretary may issue:~~

~~(A) An individual permit in a stormwater-impaired water for which no TMDL, water quality remediation plan, or watershed improvement permit has been established or issued, provided that the permitted discharge meets the following discharge standard: prior to the issuance of a general permit to implement a TMDL or a water quality remediation plan, the discharge meets the net zero standard;~~

~~(B) An individual permit or a general permit to implement a TMDL or water quality remediation plan in a stormwater-impaired water, provided that the permitted discharge meets the following discharge standard:~~

~~(i) a new stormwater discharge or the expansion of an existing discharge shall meet the treatment standards for new development and~~



~~expansion in the 2002 Stormwater Management Manual and any additional requirements deemed necessary by the Secretary to implement the TMDL or water quality remediation plan;~~

~~(ii) for a discharge of regulated stormwater runoff from redeveloped impervious surfaces:~~

~~(I) the existing impervious surface shall be reduced by 20 percent, or a stormwater treatment practice shall be designed to capture and treat 20 percent of the water quality volume treatment standard of the 2002 Stormwater Management Manual from the existing impervious surface; and~~

~~(II) any additional requirements deemed necessary by the Secretary to implement the TMDL or the water quality remediation plan;~~

~~(iii) an existing stormwater discharge shall meet the treatment standards deemed necessary by the Secretary to implement a TMDL or a water quality remediation plan;~~

~~(iv) if a permit is required for an expansion of an existing impervious surface or for the redevelopment of an existing impervious surface, discharges from the expansion or from the redeveloped portion of the existing impervious surface shall meet the relevant treatment standard of the 2002 Stormwater Management Manual, and the existing impervious surface shall meet the treatment standards deemed necessary by the Secretary to implement a TMDL or the water quality remediation plan;~~

~~(C) A watershed improvement permit, provided that the watershed improvement permit provides reasonable assurance of compliance with the Vermont water quality standards in five years;~~

~~(D) A general or individual permit that is implementing a TMDL or water quality remediation plan; or~~

~~(E) A statewide general permit for new discharges that the Secretary deems necessary to assure attainment of the Vermont Water Quality Standards.~~

~~(2) An authorization to discharge regulated stormwater runoff pursuant to a permit issued under this subsection shall be valid for a time period not to exceed five years. A person seeking to discharge regulated stormwater runoff after the expiration of that period shall obtain an individual permit or coverage under a general permit, whichever is applicable, in accordance with subsection 1263(e) of this title.~~

~~(3) By January 15, 2010, the Secretary shall issue a watershed improvement permit, issue a general or individual permit implementing a TMDL approved by the EPA, or issue a general or individual permit implementing a water quality remediation plan for each of the~~

~~stormwater-impaired waters on the Vermont Year 2004 Section 303(d) List of Waters required by 33 U.S.C. 1313(d). In developing a TMDL or a water quality remediation plan for a stormwater-impaired water, the Secretary shall consult “A Scientifically Based Assessment and Adaptive Management Approach to Stormwater Management” and “Areas of Agreement about the Scientific Underpinnings of the Water Resources Board’s Original Seven Questions” set out in appendices A and B, respectively, of the final report of the Water Resources Board’s “Investigation Into Developing Cleanup Plans For Stormwater Impaired Waters, Docket No. Inv 03-01,” issued March 9, 2004.~~

~~(4) Discharge permits issued under this subsection shall require BMP-based stormwater treatment practices. Permit compliance shall be judged on the basis of performance of the terms and conditions of the discharge permit, including construction and maintenance in accordance with BMP specifications. Any permit issued for a new stormwater discharge or for the expanded portion of an existing discharge pursuant to this subsection shall require compliance with BMPs for stormwater collection and treatment established by the 2002 Stormwater Management Manual, and any additional requirements for stormwater treatment and control systems as the Secretary determines to be necessary to ensure that the permitted discharge does not cause or contribute to a violation of the Vermont Water Quality Standards.~~

~~(5) In addition to any permit condition otherwise authorized under subsection (e) of this section, in any permit issued pursuant to this subsection, the Secretary may require an offset or stormwater impact fee as necessary to ensure the discharge does not cause or contribute to a violation of the Vermont Water Quality Standards. Offsets and stormwater impact fees, where utilized, shall incorporate an appropriate margin of safety to account for the variability in quantifying the load of pollutants of concern. To facilitate utilization of offsets and stormwater impact fees, the Secretary shall identify by January 1, 2005 a list of potential offsets in each of the waters listed as a stormwater-impaired water under this subsection.~~

~~(g)(1) The Secretary may issue a permit consistent with the requirements of subsection (f) of this section, even where a TMDL or wasteload allocation has not been prepared for the receiving water. In any appeal under this chapter an individual permit meeting the requirements of subsection (f) of this section shall have a rebuttable presumption in favor of the permittee that the discharge does not cause or contribute to a violation of the Vermont Water Quality Standards for the receiving waters with respect to the discharge of regulated stormwater runoff. This rebuttable presumption shall only apply to permitted discharges into receiving waters that are principally impaired by sources other than regulated stormwater runoff.~~

~~(2) This subsection shall apply to stormwater permits issued under the federally delegated NPDES program only to the extent allowed under federal law.~~

~~(h) The rebuttable presumption specified in subdivision (g)(1) of this section shall also apply to permitted discharges into receiving waters that meet the water quality standards of the State, provided the discharge meets the requirements of subsection (e) of this section.~~

~~(i) A residential subdivision may transfer a pretransition stormwater discharge permit or a stormwater discharge permit implementing a total maximum daily load plan to a municipality, provided that the municipality assumes responsibility for the permitting of the stormwater system that serves the residential subdivision. As used in this section:~~

~~(1) "Pretransition stormwater discharge permit" means any permit issued by the Secretary of Natural Resources pursuant to this section on or before June 30, 2004 for a discharge of stormwater.~~

~~(2) "Residential subdivision" means land identified and demarcated by recorded plat or other device that a municipality has authorized to be used primarily for residential construction.~~

~~(j) Notwithstanding any other provision of law, if an application to discharge stormwater runoff pertains to a telecommunications facility as defined in 30 V.S.A. § 248a and is filed before July 1, 2017 and the discharge will be to a water that is not principally impaired by stormwater runoff:~~

~~(1) The Secretary shall issue a decision on the application within 40 days of the date the Secretary determines the application to be complete, if the application seeks authorization under a general permit.~~

~~(2) The Secretary shall issue a decision on the application within 60 days of the date the Secretary determines the application to be complete, if the application seeks or requires authorization under an individual permit.~~

~~(k) The Secretary may adopt rules regulating stormwater discharges and stormwater infrastructure repair or maintenance during a state of emergency declared under 20 V.S.A. chapter 1 or during flooding or other emergency conditions that pose an imminent risk to life or a risk of damage to public or private property. Any rule adopted under this subsection shall comply with National Flood Insurance Program requirements. A rule adopted under this subsection shall include a requirement that an activity receive an individual stormwater discharge emergency permit or receive coverage under a general stormwater discharge emergency permit.~~

~~(1) A rule adopted under this subsection shall establish:~~

~~(A) criteria for coverage under an individual or general emergency permit;~~

~~(B) criteria for different categories of activities covered under a general emergency permit;~~

~~(C) requirements for public notification of permitted activities, including notification after initiation or completion of a permitted activity;~~

~~(D) requirements for coordination with State and municipal authorities;~~

~~(E) requirements that the Secretary document permitted activity, including, at a minimum, requirements for documenting permit terms, documenting permit duration, and documenting the nature of an activity when the rules authorize notification of the Secretary after initiation or completion of the activity.~~

~~(2) A rule adopted under this section may:~~

~~(A) establish reporting requirements for categories of activities;~~

~~(B) authorize an activity that does not require reporting to the Secretary; or~~

~~(C) authorize an activity that requires reporting to the Secretary after initiation or completion of an activity.~~

(a) Findings and intent.

(1) Findings. The General Assembly finds that the management of stormwater runoff is necessary to reduce stream channel instability, pollution, siltation, sedimentation, and flooding, all of which have adverse impacts on the water and land resources of the State.

(2) Intent. The General Assembly intends, by enactment of this section to:

(A) Reduce the adverse effects of stormwater runoff.

(B) Direct the Agency of Natural Resources to develop a process that assures broad participation; focuses upon the prevention of pollution; relies on structural treatment only when necessary; establishes and maintains accountability; tailors strategies to the region and the locale; builds broad-based programs; provides for the evaluation and appropriate evolution of programs; is consistent with the federal Clean Water Act and the State water quality standards; and accords appropriate recognition to the importance of community benefits that accompany an effective stormwater runoff management program. In furtherance of these purposes, the Secretary shall implement a stormwater permitting program. The stormwater permitting

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program developed by the Secretary shall recognize that stormwater runoff is different from the discharge of sanitary and industrial wastes because of the influence of natural events of stormwater runoff, the variations in characteristics of those runoffs, and the increased stream flows causing degradation of the quality of the receiving water at the time of discharge.

(b) Definitions. As used in this section:

(1) “Best management practice” (BMP) means a schedule of activities, prohibitions or practices, maintenance procedures, and other management practices to prevent or reduce water pollution.

(2) “Development” means the construction of impervious surface on a tract or tracts of land where no impervious surface previously existed.

(3) “Expansion” and “the expanded portion of an existing discharge” mean an increase or addition of impervious surface, such that the total resulting impervious area is greater than the minimum regulatory threshold.

(4) “Impervious surface” means those manmade surfaces, including paved and unpaved roads, parking areas, roofs, driveways, and walkways, from which precipitation runs off rather than infiltrates.

(5) “New stormwater discharge” means a new or expanded discharge of regulated stormwater runoff, subject to the permitting requirements of this chapter that has not been previously authorized pursuant to this chapter.

(6) “Offset” means a State-permitted or -approved action or project within a stormwater-impaired water that a discharger or a third person may complete to mitigate the impacts that a discharge of regulated stormwater runoff has on the stormwater-impaired water.

(7) “Redevelopment” or “redevelop” means the construction or reconstruction of an impervious surface where an impervious surface already exists when such new construction involves substantial site grading, substantial subsurface excavation, or substantial modification of an existing stormwater conveyance, such that the total of impervious surface to be constructed or reconstructed is greater than the minimum regulatory threshold. Redevelopment does not mean public road management activities, including any crack sealing, patching, coldplaning, resurfacing, reclaiming, or grading treatments used to maintain pavement, bridges, and unpaved roads.

(8) “Regulated stormwater runoff” means precipitation, snowmelt, and the material dissolved or suspended in precipitation and snowmelt that runs off impervious surfaces and discharges into surface waters or into groundwater via infiltration.

(9) “Stormwater impact fee” means the monetary charge assessed to a permit applicant for the discharge of regulated stormwater runoff to a stormwater-impaired water that mitigates a sediment load level or hydrologic impact that the discharger is unable to control through on-site treatment or completion of an offset on a site owned or controlled by the permit applicant.

(10) “Stormwater-impaired water” means a State water that the Secretary determines is significantly impaired by discharges of regulated stormwater runoff.

(11) “Stormwater Management Manual” means the Agency of Natural Resources’ Stormwater Management Manual, as adopted and amended by rule.

(12) “Stormwater runoff” means precipitation and snowmelt that does not infiltrate into the soil, including material dissolved or suspended in it, but does not include discharges from undisturbed natural terrain or wastes from combined sewer overflows.

(13) “Stormwater system” includes the storm sewers; outfall sewers; surface drains; manmade wetlands; channels; ditches; wet and dry bottom basins; rain gardens; and other control equipment necessary and appurtenant to the collection, transportation, conveyance, pumping, treatment, disposal, and discharge of regulated stormwater runoff.

(14) “Total maximum daily load” (TMDL) means the calculations and plan for meeting water quality standards approved by the U.S. Environmental Protection Agency (EPA) and prepared pursuant to 33 U.S.C. § 1313(d) and federal regulations adopted under that law.

(15) “Water quality remediation plan” means a plan, other than a TMDL, designed to bring an impaired water body into compliance with applicable water quality standards in accordance with 40 C.F.R. § 130.7(b)(1)(ii) and (iii).

(16) “Watershed improvement permit” means a general permit specific to a stormwater-impaired water that is designed to apply management strategies to existing and new discharges and that includes a schedule of compliance no longer than five years reasonably designed to assure attainment of the Vermont water quality standards in the receiving waters.

(c) Prohibitions.

(1) A person shall not commence the construction or redevelopment of one acre or more of impervious surface without first obtaining a permit from the Secretary.

(2) A person shall not discharge from a facility that has a standard industrial classification identified in 40 C.F.R. § 122.26 without first obtaining a permit from the Secretary.

(3) A person that has been designated by the Secretary as requiring coverage for its municipal separate storm sewer system may not discharge without first obtaining a permit from the Secretary.

(4) A person shall not commence a project that will result in an earth disturbance of one acre or greater, or less than one acre if part of a common plan of development, without first obtaining a permit from the Secretary.

(5) A person shall not expand existing impervious surface by more than 5,000 square feet, such that the total resulting impervious area is greater than one acre, without first obtaining a permit from the Secretary.

(6)(A) In accordance with the schedule established under subsection (g)(2) of this section, a municipality shall not discharge stormwater from a municipal road without first obtaining:

(i) an individual permit;

(ii) coverage under a municipal road general permit; or

(iii) coverage under a municipal separate stormsewer system permit that implements the technical standards and criteria established by the Secretary for stormwater improvements of municipal roads.

(B) As used in this subdivision, “municipality” means a city, town, or village.

(7) In accordance with the schedule established under subsection (g)(3), a person shall not discharge stormwater from impervious surface of three or more acres in size without first obtaining an individual permit or coverage under a general permit issued under this section if the discharge was never previously permitted or was permitted under an individual permit or general permit that did not incorporate the requirements of the 2002 Stormwater Management Manual or any subsequently adopted Stormwater Management Manual.

(d) Exemptions. No permit is required under this section for:

(1) Stormwater runoff from farms subject in compliance with agricultural practices adopted by the Secretary of Agriculture, Food and Markets.

(2) Stormwater runoff from concentrated animal feeding operations permitted under subsection 1263(g) of this chapter.

(3) Stormwater runoff from silvicultural activities in compliance with the Acceptable Management Practices for Maintaining Water Quality on Logging Jobs in Vermont, as adopted by the Commissioner of Forests, Parks and Recreation.

(4) Stormwater systems that were permitted under subdivision (c)(1) or (5) of this section and for which a municipality has assumed full legal responsibility for that stormwater system. As used in this subdivision, "full legal responsibility" means a legal control of the stormwater system, including a legal right to access the stormwater system, a legal duty to properly maintain the stormwater system, and a legal duty to repair and replace the stormwater system when it no longer adequately protects waters of the State.

(5) Stormwater runoff permitted under section 1263 of this title.

(e) State designation. The Secretary shall require a permit under this section for a discharge or stormwater runoff from any size of impervious surfaces upon a determination by the Secretary that the treatment of the discharge or stormwater runoff is necessary to reduce the adverse impacts to water quality of the discharge or stormwater runoff taking into consideration any of the following factors: the size of the impervious surface, drainage patterns, hydraulic connectivity, existing stormwater treatment, stormwater controls necessary to implement the wasteload allocation of a TMDL, or other factors. The Secretary may make this determination on a case-by-case basis or according to classes of activities, classes of runoff, or classes of discharge. The Secretary may make a determination under this subsection based on activities, runoff, discharges, or other information identified during the basin planning process.

(f) Rulemaking. The Secretary shall adopt rules to manage regulated stormwater runoff. At a minimum, the rules shall:

(1) Establish as the primary goals of the rules:

(A) assuring compliance with the Vermont Water Quality Standards; and

(B) maintenance after development, as nearly as possible, of the predevelopment runoff characteristics.

(2) Establish criteria for the use of the basin planning process to establish watershed-specific priorities for the management of stormwater runoff.

(3) Assure consistency with applicable requirements of the federal Clean Water Act.



(4) Include technical standards and best management practices that address stormwater discharges from existing development, new development, and redevelopment.

(5) Specify minimum requirements for inspection and maintenance of stormwater management practices.

(6) Include standards for the management of stormwater runoff from construction sites and other land disturbing activities.

(7) Allow municipal governments to assume the full legal responsibility for a stormwater system permitted under these rules as a part of a permit issued by the Secretary.

(8) Include standards with respect to the use of offsets and stormwater impact fees.

(9) Include minimum standards for the issuance of stormwater permits during emergencies for the repair or maintenance of stormwater infrastructure during a state of emergency declared under 20 V.S.A. chapter 1 or during flooding or other emergency conditions that pose an imminent risk to life or a risk of damage to public or private property. Minimum standards adopted under this subdivision shall comply with National Flood Insurance Program requirements.

(10) To the extent appropriate, authorize in the permitting process use of certifications of compliance by licensed professional engineers practicing within the scope of their engineering specialty.

(g) General permits.

(1) The Secretary may issue general permits for classes of regulated stormwater runoff that shall be adopted and administered in accordance with the provisions of subsection 1263(b) of this title.

(2)(A) The Secretary shall issue by December 31, 2017, a general permit for discharges of regulated stormwater from municipal roads. Under the municipal roads stormwater general permit, the Secretary shall:

(i) Establish a schedule for implementation of the general permit by each municipality in the State. Under the schedule, the Secretary shall establish:

(I) the date by which each municipality shall apply for coverage under the municipal roads general permit;

(II) the date by which each municipality shall inventory necessary stormwater management projects on municipal roads;

(III) the date by which each municipality shall establish a plan for implementation of stormwater improvements that prioritizes stormwater improvements according to criteria established by the Secretary under the general permit; and

(IV) the date by which each municipality shall implement stormwater improvements of municipal roads according to a municipal implementation plan.

(ii) Establish criteria and technical standards, such as best management practices, for implementation of stormwater improvements of municipal roads.

(iii) Establish criteria for municipal prioritization of stormwater improvements of municipal roads. The Secretary shall base the criteria on the water quality impacts of a stormwater discharge, the current state of a municipal road, the priority of a municipal road or stormwater project in any existing transportation capital plan developed by a municipality, and the benefits of the stormwater improvement to the life of the municipal road.

(iv) Require each municipality to submit to the Secretary and periodically update its implementation plan for stormwater improvements.

(B) The Secretary may require an individual permit for a stormwater improvement at any time under subsection (e) of this section. An individual permit shall include site-specific standards for the stormwater improvement.

(C) All municipalities shall apply for coverage under the municipal road general permit by July 1, 2021.

(D) As used in this subdivision (g)(2), “municipality” means a city, town, or village.

(3) On or before January 1, 2018, the Secretary shall issue a general permit under this section for discharges of stormwater from impervious surface of three or more acres in size, when the stormwater discharge previously was not permitted or was permitted under an individual permit or general permit that did not incorporate the requirements of the 2002 Stormwater Management Manual or any subsequently adopted Stormwater Management Manual. Under the general permit, the Secretary shall:

(A) Establish a schedule for implementation of the general permit by geographic area of the State. The schedule shall establish the date by which an owner of impervious surface shall apply for coverage under subdivision (g)(3) of this section. The schedule established by the Secretary shall require an owner of impervious surface subject to permitting under this subdivision to obtain coverage by the following dates:

(i) for impervious surface located within the Lake Champlain watershed, no later than October 1, 2023; and

(ii) for impervious surface located within all other watersheds of the State, no later than October 1, 2028.

(B) Establish criteria and technical standards, such as best management practices, for implementation of stormwater improvements for the retrofitting of impervious surface subject to permitting under this subdivision.

(C) Require that a discharge of stormwater from redeveloped or retrofitted impervious surface comply with the applicable standards of subsection (h) of this section.

(D) Allow the use of stormwater impact fees, offsets, and phosphorus credit trading within the watershed of the water to which the stormwater discharges or runs off.

(h) Permit requirements. An individual or general stormwater permit shall:

(1) Be valid for a period of time not to exceed ten years.

(2) For discharges of regulated stormwater to a stormwater impaired water, to Lake Champlain, or to a water that contributes to the impairment of Lake Champlain:

(A) In which no TMDL, watershed improvement permit, or water quality remediation plan has been approved, require that the discharge shall comply with the following discharge standards:

(i) A new discharge or the expanded portion of an existing discharge shall satisfy the requirements of the Stormwater Management Manual and shall not increase the pollutant load in the receiving water for stormwater.

(ii) For redevelopment of or renewal of a permit for existing impervious surface, the discharge shall satisfy on-site the water quality, recharge, and channel protection criteria set forth in the Stormwater Management Manual that are determined to be technically feasible by an engineering feasibility analysis conducted by the Agency and the discharge shall not increase the pollutant load in the receiving water for stormwater.

(B) In which a TMDL or water quality remediation plan has been adopted, require that the discharge shall comply with the following discharge standards:

(i) For a new discharge of the expanded portion of an existing discharge, the discharge shall satisfy the requirements of the Stormwater

Management Manual, and the Secretary shall determine that there is sufficient pollutant load allocations for the discharge.

(ii) For redevelopment of or renewal of a permit for existing impervious surface, the Secretary shall determine that there is sufficient pollutant load allocations for the discharge and the Secretary shall include any requirements that the Secretary deems necessary to implement the TMDL or water quality remediation plan.

(3) Contain requirements necessary to comply with the minimum requirements of the rules adopted under this section, the Vermont water quality standards, and any applicable provision of the Clean Water Act.

(i) Disclosure of violations. The Secretary may, at his or her discretion and as necessary to assure achievement of the goals of the program and compliance with State law and the federal Clean Water Act, deny an application for the discharge of regulated stormwater under this subsection if review of the applicant's compliance history indicates that the applicant is discharging regulated stormwater in violation of this chapter or is the holder of an expired permit for an existing discharge of regulated stormwater.

(j) Presumption. In any appeal under this chapter, an individual permit issued under subdivisions (c)(1) and (c)(5) of this section shall have a rebuttable presumption in favor of the permittee that the discharge does not cause or contribute to a violation of the Vermont Water Quality Standards for the receiving waters with respect to the discharge of regulated stormwater runoff, provided that the discharge is to a water that is not principally impaired due to stormwater.

Sec. 31. ANR REPORT ON REGULATORY THRESHOLD FOR PERMITTING STORMWATER RUNOFF FROM IMPERVIOUS SURFACES

(a) On or before January 15, 2016, the Secretary of Natural Resources shall submit to the House Committee on Fish, Wildlife and Water Resources and the Senate Committee on Natural Resources and Energy a report regarding whether and how the State should lower from one acre to one-half acre of impervious surface the regulatory permitting threshold for an operating permit for stormwater runoff from new development, redevelopment, or expansion. The report shall include:

(1) a recommendation as to whether the State should lower the regulatory permitting threshold from one acre to one-half acre of impervious surface;

(2) an estimate of the number of additional development projects that would require an operating permit for stormwater runoff if the regulatory

permitting threshold were lowered from one acre to one-half acre of impervious surface;

(3) an estimate of the environmental benefit of reducing the regulatory permitting threshold from one acre to one-half acre of impervious surface;

(4) an estimate of the number of staff that would be needed by the Agency of Natural Resources to effectively implement a stormwater operating permit program with a regulatory permitting threshold of one-half acre of impervious surface; and

(5) a recommendation for regulating construction, redevelopment, or expansion of impervious surface based on a tiered system of acreage, square footage, or other measure.

(b) The definitions provided in 10 V.S.A. § 1264 shall apply to this section.

#### Sec. 32. STORMWATER MANAGEMENT PRACTICES HANDBOOK

On or before January 1, 2016, the Secretary of Natural Resources shall publish as a handbook a suite of practical and cost-effective best management practices for the control of stormwater runoff from the construction, redevelopment, or expansion of impervious surface that does not require a permit under 10 V.S.A. § 1264. The best management practices shall address activities that control, mitigate, or eliminate stormwater runoff to waters of the State. The stormwater management practices shall be voluntary and shall not be mandatory.

\* \* \* Water Quality Data Coordination \* \* \*

Sec. 33. 10 V.S.A. § 1284 is added to read:

#### § 1284. WATER QUALITY DATA COORDINATION

(a) To facilitate attainment or accomplishment of the purposes of this chapter, the Secretary shall coordinate and assess all available data and science regarding the quality of the waters of the State, including:

(1) light detection and ranging information data (LIDAR);

(2) stream gauge data;

(3) stream mapping, including fluvial erosion hazard maps;

(4) water quality monitoring or sampling data;

(5) cumulative stressors on a watershed, such as the frequency an activity is conducted within a watershed or the number of stormwater or other permits issued in a watershed; and

(6) any other data available to the Secretary.

(b) After coordination of the data required under subsection (a) of this section, the Secretary shall:

(1) assess where additional data are needed and the best methods for collection of such data;

(2) identify and map on a watershed basis areas of the State that are significant contributors to water quality problems or are in critical need of water quality remediation or response.

(c) The Secretary shall post all data compiled under this section on the website of the Agency of Natural Resources.

\* \* \* Water Quality Funding; Clean Water Fund; Rooms, Meals,  
and Alcohol Tax \* \* \*

Sec. 34. 10 V.S.A. chapter 47, subchapter 7 is added to read:

Subchapter 7. Vermont Clean Water Fund

§ 1387. PURPOSE

The General Assembly establishes in this subchapter a Vermont Clean Water Fund as a mechanism for financing the improvement of water quality in the State. The Clean Water Fund shall be used to:

(1) assist the State in complying with water quality requirements and construction or implementation of water quality projects or programs; and

(2) provide funding to nonprofit organizations, regional associations, and other entities for implementation and administration of community-based water quality programs or projects.

§ 1388. CLEAN WATER FUND

(a) There is created a special fund to be known as the "Clean Water Fund." Notwithstanding any contrary provisions of 32 V.S.A. chapter 7, subchapter 5:

(1) the Fund shall be administered by the Clean Water Fund Board established under section 1388 of this title;

(2) the Fund shall consist of:

(A) Revenues dedicated for deposit into the Fund by the General Assembly, including:

(i) five percent of the meals, rooms, and alcohol taxes levied pursuant to chapter 225 of this title; and

(ii) those taxes imposed under 23 V.S.A. § 3106(a)(1)(A)(ii)

(B) Other gifts, donations, and impact fees received from any source, public or private, dedicated for deposit into the Fund and approved by the Board. Gifts or donations submitted to the Fund shall be deductible from the tax levied under 32 V.S.A. chapter 151.

(b) The Clean Water Fund Board shall make recommendations on expenditures from the Fund consistent with the following priorities:

(1) to provide funding to programs and projects to address sources of water pollution in waters listed as impaired under 33 U.S.C. § 1313(d) or waters contributing to a listed impairment;

(2) to provide funding to address water pollution identified as a critical source of water quality pollution;

(3) to provide funding to address or repair conditions that increase the risk of flooding or pose a threat to life or property; and

(4) to provide funding to innovative nutrient removal technologies and community-based methane digesters that utilize manure, wastewater, and food residuals to produce energy.

(c) In the first three years of its existence, the Clean Water Fund Board shall prioritize under subsection (b) of this section recommendation of awards or assistance to municipalities for municipal compliance with the water quality requirements.

(d) Unexpended balances and any earnings shall remain in the Fund from year to year.

#### § 1389. CLEAN WATER FUND BOARD

(a) Creation. There is created a Clean Water Fund Board which shall be attached to the Agency of Administration for administrative purposes.

(b) Organization of the Board. The Clean Water Fund Board shall be composed of:

(1) The Secretary of Administration or designee.

(2) The Secretary of Natural Resources or designee.

(3) The Secretary of Agriculture, Food and Markets or designee.

(4) The Secretary of Commerce and Community Development or designee.

(5) The Secretary of Transportation or designee.

(6) Three members of the public or the House of Representatives appointed by the Speaker of the House, each of whom shall be from separate watersheds of the State. At least one of the members appointed under this subdivision shall be a municipal official.

(7) Three members of the public or the Senate appointed by the Committee on Committees, each of whom shall be from separate watersheds of the State. At least one of the members appointed under this subdivision shall be a municipal official.

(8) Two members of the public appointed by the Governor.

(c) Officers; committees; rules. The Clean Water Fund Board shall annually elect a chair from its members. The Clean Water Fund Board may elect additional officers from its members, establish committees or subcommittees, and adopt procedural rules as necessary and appropriate to perform its work.

(d) Member terms. Members of the Clean Water Fund Board appointed by the Governor shall serve initial terms of three years, members appointed by the Speaker of the House shall serve initial terms of two years, and members appointed by the Committee on Committees shall serve initial terms of one year. Thereafter, each of the above appointed members shall serve a term of three years. A vacancy shall be filled by the appointing authority for the remainder of the unexpired term. An appointed member shall not serve more than three consecutive three-year terms.

(e) Compensation. Public members of the Clean Water Fund Board may receive compensation according to 32 V.S.A. § 1010(b).

(f) Powers and duties of the Clean Water Fund Board.

(1) The Clean Water Fund Board shall have the following powers and authority:

(A) to receive proposals from the Secretaries of Agriculture, Food, and Markets, of Commerce and Community Development, of Natural Resources, and of Transportation on the expenditures of the Fund;

(B) to make recommendations to the Secretary of Administration regarding the appropriate allocation of funds from the Clean Water Fund for the purposes of developing the State budget; and

(C) to pursue and accept grants, gifts, donations, or other funding from any public or private source and to administer such grants, gifts, donations, or funding consistent with the terms of the grant, gift, or donation.

(2) The Clean Water Fund Board shall develop:

(A) an annual revenue estimate and proposed budget for the Clean Water Fund;

(B) measures for determining progress and effectiveness of expenditures for clean water restoration efforts; and

(C) the annual Clean Water Investment Report required under section 1389 of this title.

(3) The Clean Water Fund Board shall solicit public comment and consult with organizations interested in improving water quality in Vermont.



(g) The Clean Water Fund Board shall have the administrative, technical, and legal assistance of the Agency of Administration, the Agency of Natural Resources, the Agency of Agriculture, Food and Markets, the Agency of Transportation, and the Agency of Commerce and Community Development for those issues or services within the jurisdiction of the respective agency. The cost of the services provided by agency staff shall be paid from the budget of the agency providing the staff services.

#### § 1390. CLEAN WATER INVESTMENT REPORT

Beginning on January 15, 2017, and annually thereafter, the Clean Water Fund Board shall publish a Clean Water Investment Report. The report shall summarize all investments made by the Clean Water Fund Board and other State agencies for clean water restoration over the past calendar year. The report shall include expenditures from the Clean Water Fund, the General Fund, the Transportation Fund, and any other State expenditures for clean water restoration, regardless of funding source. The report shall document progress or shortcomings in meeting established indicators for clean water restoration. The report may also provide an overview of additional funding necessary to meet objectives established for clean water restoration and recommendations for additional revenue to meet those restoration objectives. The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the report required by this section.

Sec. 35. 32 V.S.A. § 5811(21) is amended to read:

(21) “Taxable income” means federal taxable income determined without regard to 26 U.S.C. § 168(k) and:

(A) Increased by the following items of income (to the extent such income is excluded from federal adjusted gross income):

(i) interest income from non-Vermont state and local obligations;

(ii) dividends or other distributions from any fund to the extent they are attributable to non-Vermont state or local obligations; and

(iii) the amount in excess of \$5,000.00 of State and local income taxes deducted from federal adjusted gross income for the taxable year, but in no case in an amount that will reduce total itemized deductions below the standard deduction allowable to the taxpayer; and

(B) Decreased by the following items of income (to the extent such income is included in federal adjusted gross income):

(i) income from United States government obligations;

(ii) with respect to adjusted net capital gain income as defined in 26 U.S.C. § 1(h) reduced by the total amount of any qualified dividend income: either the first \$5,000.00 of such adjusted net capital gain income; or 40 percent of adjusted net capital gain income from the sale of assets held by the taxpayer for more than three years, except not adjusted net capital gain income from:

(I) the sale of any real estate or portion of real estate used by the taxpayer as a primary or nonprimary residence; or

(II) the sale of depreciable personal property other than farm property and standing timber; or stocks or bonds publicly traded or traded on an exchange, or any other financial instruments; regardless of whether sold by an individual or business;

and provided that the total amount of decrease under this subdivision (21)(B)(ii) shall not exceed 40 percent of federal taxable income; ~~and~~

(iii) recapture of State and local income tax deductions not taken against Vermont income tax; and

(iv) gifts or donations to special funds of the State.

Sec. 36. 32 V.S.A. § 9241 is amended to read:

§ 9241. IMPOSITION OF TAX

(a) An operator shall collect a tax of nine and one-half percent of the rent of each occupancy.

(b) An operator shall collect a tax on the sale of each taxable meal at the rate of nine and one-half percent of each full dollar of the total charge and on each sale for less than one dollar and on each part of a dollar in excess of a full dollar in accordance with the following formula:

<del>\$0.01-0.11</del>	<del>\$0.01</del>
<del>0.12-0.22</del>	<del>0.02</del>
<del>0.23-0.33</del>	<del>0.03</del>
<del>0.34-0.44</del>	<del>0.04</del>
<del>0.45-0.55</del>	<del>0.05</del>
<del>0.56-0.66</del>	<del>0.06</del>
<del>0.67-0.77</del>	<del>0.07</del>
<del>0.78-0.88</del>	<del>0.08</del>

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<del>0.89-1.00</del>	<del>0.09</del>
<u>\$0.01-0.05</u>	<u>\$0.00</u>
<u>0.06-0.15</u>	<u>0.01</u>
<u>0.16-0.26</u>	<u>0.02</u>
<u>0.27-0.36</u>	<u>0.03</u>
<u>0.37-0.47</u>	<u>0.04</u>
<u>0.48-0.57</u>	<u>0.05</u>
<u>0.58-0.68</u>	<u>0.06</u>
<u>0.69-0.78</u>	<u>0.07</u>
<u>0.79-0.89</u>	<u>0.08</u>
<u>0.90-0.99</u>	<u>0.09</u>

(c) An operator shall collect a tax on each sale of alcoholic beverages at the rate of ~~40~~ 10.5 percent of each full dollar of the total charge and on each sale for less than one dollar and on each part of a dollar in excess of a full dollar in accordance with the following formula:

<del>\$.01-.14</del>	<del>\$.01</del>
<del>.15-.24</del>	<del>.02</del>
<del>.25-.34</del>	<del>.03</del>
<del>.35-.44</del>	<del>.04</del>
<del>.45-.54</del>	<del>.05</del>
<del>.55-.64</del>	<del>.06</del>
<del>.65-.74</del>	<del>.07</del>
<del>.75-.84</del>	<del>.08</del>
<del>.85-.94</del>	<del>.09</del>
<del>.95-1.00</del>	<del>.10</del>
<u>\$0.01-0.08</u>	<u>\$0.00</u>
<u>0.09-0.18</u>	<u>0.01</u>
<u>0.19-0.28</u>	<u>0.02</u>
<u>0.29-0.38</u>	<u>0.03</u>
<u>0.39-0.48</u>	<u>0.04</u>

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<u>0.49-0.58</u>	<u>0.05</u>
<u>0.59-0.68</u>	<u>0.06</u>
<u>0.69-0.78</u>	<u>0.07</u>
<u>0.79-0.88</u>	<u>0.08</u>
<u>0.89-0.99</u>	<u>0.09</u>

Sec. 37. 32 V.S.A. § 9242(c) is amended to read:

(c) A tax of nine and one-half percent of the gross receipts from ~~meals and~~ occupancies, nine and one-half percent of the gross receipts from meals, and 10 and one-half percent of the gross receipts from alcoholic beverages, exclusive of taxes collected pursuant to section 9241 of this title, received from occupancy rentals, taxable meals and alcoholic beverages by an operator, is hereby levied and imposed and shall be paid to the State by the operator as herein provided. Every person required to file a return under this chapter shall, at the time of filing the return, pay the Commissioner the taxes imposed by this chapter as well as all other monies collected by him or her under this chapter; provided, however, that every person who collects the taxes on taxable meals and alcoholic beverages according to the tax bracket schedules of section 9241 of this title shall be allowed to retain any amount lawfully collected by the person in excess of the tax imposed by this chapter as compensation for the keeping of prescribed records and the proper account and remitting of taxes.

Sec. 38. 32 V.S.A. § 435 is amended to read:

§ 435. GENERAL FUND

(a) There is established a General Fund which shall be the basic operating fund of the State. The General Fund shall be used to finance all expenditures for which no special revenues have otherwise been provided by law.

(b) The General Fund shall be composed of revenues from the following sources:

- (1) Alcoholic beverage tax levied pursuant to 7 V.S.A. chapter 15;
- (2) [Repealed.]
- (3) Electrical energy tax levied pursuant to chapter 213 of this title;
- (4) Corporate income and franchise taxes levied pursuant to chapter 151 of this title;
- (5) Individual income taxes levied pursuant to chapter 151 of this title;
- (6) All corporation taxes levied pursuant to chapter 211 of this title;

(7) ~~Meals and 95 percent of the meals, rooms, and alcohol~~ taxes levied pursuant to chapter 225 of this title;

(8) [Repealed.]

(9) Revenues from the Racing Fund consistent with 31 V.S.A. § ~~644~~ 609;

(10) 33 percent of the revenue from the property transfer taxes levied pursuant to chapter 231 of this title and the revenue from the gains taxes levied each year pursuant to chapter 236 of this title;

(11) 65 percent of the revenue from sales and use taxes levied pursuant to chapter 233 of this title;

(12) All other revenues accruing to the State not otherwise required by law to be deposited in any other designated fund or used for any other designated purpose.

\* \* \* Secretary of Administration; Report on Per Parcel Fee \* \* \*

Sec. 39. SECRETARY OF ADMINISTRATION REPORT ON PER PARCEL WATER QUALITY FEE

(a) On or before January 15, 2016, the Secretary of Administration, after consultation with the Department of Taxes, shall submit to the House Committee on Fish, Wildlife and Water Resources, the Senate Committee on Natural Resources and Energy, the House Committee on Agriculture and Forest Products, the Senate Committee on Agriculture, the House Committee on Ways and Means, and the Senate Committee on Finance a recommendation for establishing a fee on parcels of property in the State for the purpose of raising revenue to fund water quality improvement programs in the State. The recommendation shall include:

(1) a tiered per parcel fee that provides for equitable apportionment among all parcel owners, including owners of industrial property, commercial property, residential property, or agricultural lands;

(2) an estimate of the amount of revenue to be generated from the proposed per parcel fee;

(3) a summary of how assessment of the fee will be administered, collected, and enforced; and

(4) a legislative proposal to implement the proposed per parcel fee program.

(b) As used in this section, "parcel" shall have the same meaning as defined in section 4152 of this title.

\* \* \* Gas Tax; Water Quality \* \* \*

Sec. 40. 32 V.S.A. § 3106 is amended to read:

§ 3106. IMPOSITION, RATE, AND PAYMENT OF TAX

(a)(1) Except for sales of motor fuels between distributors licensed in this State, which sales shall be exempt from the taxes and assessments authorized under this section, unless exempt under the laws of the United States at the time of filing the report required by section 3108 of this title, each distributor shall pay to the Commissioner:

(A)(i) a tax of \$0.121 upon each gallon of motor fuel sold by the distributor for deposit in the Transportation Fund under 19 V.S.A. § 11; and

(ii) a tax of \$0.02 upon each gallon of motor fuel sold by the distributor, for deposit in the Clean Water Fund under 10 V.S.A. § 1388; and

(B) the following assessments, which shall be levied on the tax-adjusted retail price of gasoline as defined herein:

(i) a motor fuel transportation infrastructure assessment in the amount of two percent of the tax-adjusted retail price upon each gallon of motor fuel sold by the distributor; and

(ii) a fuel tax assessment, which shall be used exclusively for transportation purposes and not be transferred from the Transportation Fund, that is the greater of:

(I) \$0.134 per gallon; or

(II) four percent of the tax-adjusted retail price or \$0.18 per gallon, whichever is less, upon each gallon of motor fuel sold by the distributor.

\* \* \*

Sec. 41. 19 V.S.A. § 11 is amended to read:

§ 11. TRANSPORTATION FUND

The Transportation Fund shall comprise the following:

(1) all taxes, penalties, and fees received by the Commissioner of Motor Vehicles except those relating to motorboats imposed under 23 V.S.A. chapter 29 which shall be expended pursuant to 23 V.S.A. § 3319;

(2) the revenue derived from the taxes on motor fuel as provided for by Title 23 except those taxes imposed under 23 V.S.A. § 3106(a)(1)(A)(ii);

\* \* \*

\* \* \* Department of Environmental Conservation Water Quality Fees \* \* \*

Sec. 42. 3 V.S.A. § 2822 is amended to read:

§ 2822. BUDGET AND REPORT; POWERS

\* \* \*

(i) The Secretary shall not process an application for which the applicable fee has not been paid unless the Secretary specifies that the fee may be paid at a different time or unless the person applying for the permit is exempt from the permit fee requirements pursuant to 32 V.S.A. § 710. ~~In addition, the persons who are exempt under 32 V.S.A. § 710 are also exempt from the application fees for stormwater operating permits specified in subdivisions (j)(2)(A)(iii)(I) and (II) of this section if they otherwise meet the requirements of 32 V.S.A. § 710.~~ Municipalities shall be exempt from the payment of fees under this section except for those fees prescribed in subdivisions (j)(1), ~~(2)~~, (7), (8), (14), and (15) of this section for which a municipality may recover its costs by charging a user fee to those who use the permitted services. Municipalities shall pay fees prescribed in subdivisions (j)(2), (10), (11), and (26), except that a municipality shall also be exempt from those fees for orphan stormwater systems prescribed in subdivisions (j)(2)(A)(iii) and (2)(B)(iv)(I) or (II) of this section when the municipality agrees to become an applicant or co-applicant for an orphan stormwater system under 10 V.S.A. § 1264e for which a municipality has assumed full legal responsibility under 10 V.S.A. § 1264.

(j) In accordance with subsection (i) of this section, the following fees are established for permits, licenses, certifications, approvals, registrations, orders, and other actions taken by the Agency of Natural Resources.

\* \* \*

(2) For discharge permits issued under 10 V.S.A. chapter 47 and orders issued under 10 V.S.A. § 1272, an administrative processing fee of ~~\$120.00~~ \$240.00 shall be paid at the time of application for a discharge permit in addition to any application review fee and any annual operating fee, except for permit applications under subdivisions (2)(A)(iii)(III) and (V) of this subsection:

(A) Application review fee.

(i) Municipal, industrial, noncontact cooling water, and thermal discharges.

(I) Individual permit: original application; amendment for	<del>\$0.0023</del> <u>\$0.003</u> per gallon design flow; minimum
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increased flows; amendment for change in treatment process;	<del>\$50.00</del> <u>\$100.00</u> per outfall; maximum 30,000.00 per application.
(II) Renewal, transfer, or minor amendment of individual permit;	<del>\$0.00</del> <u>\$0.002 per gallon</u> <u>design flow; minimum</u> <u>\$50.00 per outfall;</u> <u>maximum \$5,000.00 per</u> <u>application.</u>
(III) General permit;	<u>\$0.00.</u>
(ii) Pretreatment discharges.	
(I) Individual permit: original application; amendment for increased flows; amendment for change in treatment process;	<del>\$0.12</del> <u>\$0.20</u> per gallon design flow; minimum <del>\$50.00</del> <u>\$100.00</u> per outfall.
(II) Renewal, transfer, or minor amendment of individual permit;	<del>\$0.00</del> <u>\$0.002 per gallon</u> <u>design flow; minimum</u> <u>\$50.00 per outfall.</u>
(iii) Stormwater discharges.	
(I) Individual operating permit or application to operate under general operating permit for collected stormwater runoff which is discharged to Class B waters: original application; amendment for increased flows; amendment for change in treatment process;	<del>\$430.00</del> <u>\$860.00</u> per acre impervious area; minimum <del>\$220.00</del> <u>\$440.00</u> per application.
(II) Individual operating permit or application to operate under general operating permit for	\$1,400.00 per acre impervious area; minimum \$1,400.00



collected stormwater runoff which per application.  
 is discharged to Class A waters;  
 original application; amendment  
 for increased flows; amendment  
 for change in treatment process.

(III) Individual permit or  
 application to operate under  
 general permit for construction  
 activities; original application;  
 amendment for increased acreage.

(aa) Projects with low risk to ~~\$50.00~~ five acres or  
 waters of the State-; less: \$100.00 per project;  
 original application.

(bb) Projects with low risk to \$220.00 per project.  
waters of the State; greater than  
five acres:

(cc) Projects with moderate risk ~~\$360.00;~~ five acres  
 to waters of the State-; or less: \$480.00 per  
 project original  
 application.

~~(ee) Projects that require an~~ ~~\$720.00 per project~~  
~~individual permit.~~ ~~original application.~~

(dd) Projects with moderate risk \$640.00.  
to waters of the State; greater  
than five acres:

(ee) Projects that require an \$1,200.00.  
individual permit; ten acres  
or less:

(ff) Projects that require an \$1,800.00.  
individual permit; greater than

10 acres:

- (IV) Individual permit or application to operate under general permit for stormwater runoff associated with industrial activities with specified SIC codes; original application; amendment for change in activities; ~~\$220.00~~ \$440.00 per facility.
- (V) Individual permit or application to operate under general permit for stormwater runoff associated with municipal separate storm sewer systems; original application; amendment for change in activities; ~~\$1,200.00~~ \$2,400.00 per system.
- (VI) Individual operating permit or application to operate under a general permit for a residually designated stormwater discharge original application; amendment; for increased flows amendment; for change in treatment process.
- (aa) For discharges to Class B water; ~~\$430.00~~ \$860.00 per acre of impervious area, minimum ~~\$220.00~~ \$280.00.
- (bb) For discharges to Class A water; ~~\$1,400.00~~ \$1,700.00 per acre of impervious area, minimum ~~\$1,400.00~~ \$1,700.00.
- (VII) Renewal, transfer, or minor amendment of individual permit ~~or approval under general permit;~~ \$0.00.
- (VIII) Application for coverage under the municipal roads stormwater general permit; \$400.00 per application.
- (IX) Application for coverage \$1,200.00.

under the State roads stormwatergeneral permit:

\* \* \*

## (B) Annual operating fee.

- |  |   |
|--|---|
| (i) Industrial, noncontact cooling water and thermal discharges;   | <del>\$0.001</del> <u>\$0.0015</u> per gallon design capacity. <del>\$150.00</del> <u>\$200.00</u> minimum; maximum \$210,000.00. |
| (ii) Municipal;  | \$0.003 per gallon of <del>actual</del> <u>design</u> flows. <del>\$150.00</del> <u>\$200.00</u> minimum; maximum \$12,500.00.    |
| (iii) Pretreatment discharges;   | <del>\$0.0385</del> <u>\$0.04</u> per gallon design capacity. <del>\$150.00</del> <u>\$200.00</u> minimum; maximum \$27,500.00.   |
| (iv) Stormwater.   |   |
| (I) Individual operating permit or approval under general operating permit for collected stormwater runoff which is discharged to class A waters;  | <del>\$255.00</del> <u>\$310.00</u> per acre impervious area; <del>\$235.00</del> <u>\$310.00</u> minimum.                        |
| (II) Individual operating permit or approval under general operating permit for collected stormwater runoff which is discharged to Class B waters; | <del>\$80.00</del> <u>\$160.00</u> per acre impervious area; <del>\$80.00</del> <u>\$160.00</u> minimum.                          |
| (III) Individual permit or approval under general permit for stormwater runoff from  | <del>\$80.00</del> <u>\$160.00</u> per facility.  |

industrial facilities with

specified SIC codes:;

(IV) Individual permit or ~~\$80.00 per system~~  
 application to operate under \$10.00 per acre of  
 general permit for stormwater impervious surface within  
 runoff associated with municipal the municipality; annually.  
 separate storm sewer systems:;

(V) Individual permit or approval under general permit for residually designated stormwater discharges.

(aa) For discharges to Class A water; ~~\$255.00~~ \$310.00 per acre of impervious area, minimum ~~\$255.00~~ \$310.00.

(bb) For discharges to Class B water; ~~\$80.00~~ \$160.00 per acre of impervious area, minimum ~~\$80.00~~ \$160.00.

(VI) Application to operate under a general permit for stormwater runoff associated with municipal roads: \$2,000.00 per authorization annually.

(VII) Application to operate under a general permit for stormwater runoff associated with State roads: \$90,000.00 per authorization annually.

\* \* \*

(11) For stream alteration and flood hazard area permits issued under 10 V.S.A. ~~chapter chapters 41 and 32: \$225.00 per application.~~

(A) Stream alteration; individual permit: \$350.00.

(B) Stream alteration; general permit; reporting category: \$ 200.00.

(C) Stream alteration; individual permit; municipal bridge, culvert, and unimproved property protection: \$350.00.

(D) Stream alteration; general permit; municipal bridge, culvert, and unimproved property protection: \$200.00.

(E) Stream alteration; Agency of Transportation reviews; bridge, culvert, and high risk projects: \$350.00.

(F) Flood hazard area; individual permit; State facilities; hydraulic and hydrologic modeling required: \$350.00.

(G) Flood hazard area; individual permit; State facilities; hydraulic and hydrologic modeling not required: \$200.00.

(H) Flood hazard area; municipal reviews; reviews requiring hydraulic and hydrologic modeling, compensatory storage volumetric analysis, or river corridor equilibrium: \$350.00.

(I) Flood hazard area; municipal review; projects not requiring hydraulic or hydrologic modeling: \$200.00.

(J) River corridor; major map amendments: \$350.00.

\* \* \*

(14) For certification of sewage treatment plant operators issued under 10 V.S.A. chapter 47:

(A) original application: ~~\$110.00~~ \$125.00.

(B) renewal application: ~~\$110.00~~ \$125.00.

(15) For sludge or septage facility certifications issued under 10 V.S.A. chapter 159:

(A) land application sites; facilities that further reduce pathogens; disposal facilities: ~~\$950.00~~ \$1,000.00 per application.

(B) all other types of facilities: ~~\$110.00~~ \$125.00 per application.

\* \* \*

(26) For individual conditional use determinations, for individual wetland permits, for general conditional use determinations issued under 10 V.S.A. § 1272, or for wetland authorizations issued under a general permit, an administrative processing fee assessed under subdivision (2) of this subsection (j) and an application fee of:

(A) \$0.75 per square foot of proposed impact to Class I or II wetlands;

(B) \$0.25 per square foot of proposed impact to Class I or II wetland buffers;

(C) maximum fee, for the conversion of Class II wetlands or wetland buffers to cropland use, \$200.00 per application. ~~For purposes of~~ As used in this subdivision, "cropland" means land that is used for the production of agricultural crops, including row crops, fibrous plants, pasture, fruit-bearing bushes, trees, or vines and the production of Christmas trees;

(D) \$0.25 per square foot of proposed impact to Class I or II wetlands or Class I or II wetland buffer for utility line, pipeline, and ski trail projects

when the proposed impact is limited to clearing forested wetlands in a corridor and maintaining a cleared condition in that corridor for the project life;

(E) \$1.50 per square foot of impact to Class I or II wetlands when the permit is sought after the impact has taken place;

(F) \$100.00 per revision to an application for an individual wetland permit or authorization under a general permit when the supplement is due to a change to the project that was not requested by the Secretary; and

(G) minimum fee, \$50.00 per application.

\* \* \*

(33) \$10.00 per 1000 gallons based on the rated capacity of the tank being pumped rounded to the nearest 1000 gallon.

\* \* \*

Sec. 43. 32 V.S.A. § 710 is amended to read:

§ 710. PAYMENT OF STATE AGENCY FEES

(a) Notwithstanding any other provision of law, the Agency of Transportation, any cooperating municipalities, and their contractors or agents shall be exempt from the payment of fee charges for reviews, inspections, or nonoperating permits issued by the Department of Public Safety, a District Environmental Commission, and the Agency of Natural Resources for any projects undertaken by or for the Agency and any cooperating municipalities for which all or a portion of the funds are authorized by a legislatively approved transportation construction, rehabilitation, or paving program within a general appropriation act introduced pursuant to section 701 of this title except for those fees established under 3 V.S.A. § 2822(j)(2)(A)(iii), (j)(10), (j)(11), and (j)(26).

(b) Notwithstanding any other provision of law, no fees shall be charged for reviews, inspections, or nonoperating permits issued by the Department of Public Safety, a District Environmental Commission, and the Agency of Natural Resources for:

(1) Any project undertaken by the Department of Buildings and General Services, the Agency of Natural Resources or the Agency of Transportation which is authorized or funded in whole or in part by the capital construction act introduced pursuant to section 701a of this title except for those fees established under 3 V.S.A. § 2822(j)(2)(A)(iii), (j)(10), (j)(11), and (j)(26).

(2) Any project undertaken by a municipality, which is funded in whole or in part by a grant or loan from the Agency of Natural Resources or the Agency of Transportation financed by an appropriation of a capital

construction act introduced pursuant to section 701a of this title except for those fees established under 3 V.S.A. § 2822(j)(2)(A)(iii), (j)(7)(A) and (B), (j)(10), (j)(11), and (j)(26). However, all such fees shall be paid for reviews, inspections, or permits required by municipal solid waste facilities developed by a solid waste district which serves, or is expected to serve, in whole or in part, parties located outside its own district boundaries pursuant to 10 V.S.A. chapter 159.

\* \* \* Wastewater Treatment Plants; Financial Assistance for  
Phosphorus Reduction \* \* \*

Sec. 44. 10 V.S.A. § 1266a is amended to read:

§ 1266a. DISCHARGES OF PHOSPHORUS

(a) No person directly discharging into the drainage basins of Lake Champlain or Lake Memphremagog shall discharge any waste that contains a phosphorus concentration in excess of 0.80 milligrams per liter on a monthly average basis. Discharges of less than 200,000 gallons per day, permitted on or before July 1, 1991, shall not be subject to the requirements of this subsection. Discharges from a municipally owned aerated lagoon type secondary sewage treatment plant in the Lake Memphremagog drainage basin, permitted on or before July 1, 1991 shall not be subject to the requirements of this subsection unless the plant is modified to use a technology other than aerated lagoons.

(b) Notwithstanding any provision of subsection (a) of this section to the contrary, the Secretary shall establish effluent phosphorus wasteload allocations or concentration limits within any drainage basin in Vermont, as needed to achieve wasteload allocations in a total maximum daily load document approved by the U.S. Environmental Protection Agency, or as needed to attain compliance with water quality standards adopted by the Secretary pursuant to chapter 47 of this title.

~~(c) The Secretary of Natural Resources shall establish a schedule for municipalities that requires compliance with this section at a rate that corresponds to the rate at which funds are provided under subsection 1625(e) of this title. To the extent that funds are not provided to municipalities eligible under that subsection, municipal compliance with this section shall not be required. [Repealed.]~~

Sec. 45. 10 V.S.A. § 1625 is amended to read:

§ 1625. AWARDS FOR POLLUTION ABATEMENT PROJECTS TO ABATE DRY WEATHER SEWAGE FLOWS

(a) When the Department finds that a proposed water pollution abatement project is necessary to maintain water quality standards during dry weather sewage flows, and that the proposed type, kind, quality, size, and estimated cost, including operation cost and sewage disposal charges, of the project are suitable for abatement of pollution, and the project or the prescribed project phases are necessary to meet the intent of the water quality classifications established by the Secretary or by statute under chapter 47 of this title, the Department may award to municipalities a State assistance grant of up to 25 percent of the eligible project cost, provided that in no case shall the total of the State and federal grants exceed 90 percent of the eligible project costs:

(1) except that the 90 percent limitation shall not apply when the municipality provides, as their local share, federal funds allocated to them for the purpose of matching other federal grant programs having a matching requirement; and

(2) except that the total of state and federal grants issued under P.L. 92-500 section 202(a)(2) may equal up to 95 percent of the eligible costs for innovative or alternative wastewater treatment processes and techniques.

(b) In carrying out the purposes of this subchapter, the Department shall define the purpose and scope of an eligible project, including a determination of the area to be served, type of treatment, effluent limitations, eligible construction costs, cost accounting procedures and methods and other such project construction, operation and fiscal elements necessary to meet federal aid requirements. The Department shall, as a part of the administration of this grant program, encourage municipalities to undertake capital development planning and to establish water and sewer charges along public utility concepts.

(c) Any municipality having proceeded with construction of facilities with a State grant of 25 percent since July 1, 1984 shall be eligible for an increase in the State grant to a total of 35 percent of the eligible project costs.

(d) The Department may award a State assistance grant of up to 50 percent of the eligible costs of an approved pollution abatement project or a portion thereof not eligible for federal financial assistance in a municipality that is certified by the Secretary of Commerce and Community Development to be within the designated job development zone. To achieve the objectives of chapter 29, subchapter 2 of this title, the eligibility and priority provisions of



this chapter do not apply to municipalities within a designated job development zone.

~~(e) If the Department finds that a proposed municipal water pollution control project is necessary to reduce effluent phosphorus concentration or mass loading to the level required in section 1266a of this title, the Department shall award to the municipality, subject to the availability of funds, a state assistance grant. Such grants shall be for 100 percent of the eligible project cost. This funding shall not be available for phosphorus removal projects where the effluent concentration must be reduced in order to maintain a previously permitted mass loading of phosphorus.~~

\* \* \* Acceptable Management Practices for Maintaining Water Quality on Logging Jobs in Vermont \* \* \*

Sec. 46. 10 V.S.A. § 2622 is amended to read:

§ 2622. RULES; HARVESTING TIMBER; FORESTS; ACCEPTABLE MANAGEMENT PRACTICES FOR MAINTAINING WATER QUALITY

(a) Silvicultural practices. The ~~commissioner~~ Commissioner shall adopt rules to establish methods by which the harvest and utilization of timber in private and public ~~forest land~~ forestland will be consistent with continuous forest growth, including reforestation, will prevent wasteful and dangerous forestry practices, will regulate heavy cutting, will encourage good forestry management, will enable and assist landowners to practice good forestry management, and will conserve the natural resources consistent with the purposes and policies of this chapter, giving due consideration to the need to assure continuous supplies of forest products and to the rights of the owner or operator of the land. Such rules adopted under this subsection shall be advisory, and not mandatory except that the rules adopted under section 2625 of this title for the regulation of heavy cutting shall be mandatory as shall other rules specifically authorized to be mandatory.

(b) Acceptable management practices. On or before March 1, 2016, the Commissioner shall revise by rule the acceptable management practices for maintaining water quality on logging jobs in Vermont. The revised acceptable management practices shall ensure that all logging operations, on both public and private forestland, are designed to: prevent or minimize discharges of sediment, petroleum products, and woody debris (logging slash) from entering streams and other bodies of water; protect aquatic habitat and aquatic wildlife; and prevent erosion and maintain natural water temperature. The purpose of the acceptable management practices is to provide a guide for loggers, foresters, and landowners to design logging operations to comply with the Vermont Water Quality Standards and minimize the potential for a discharge

from logging operations in Vermont in accordance with section 1259 of this title.

Sec. 47. DEPARTMENT OF FORESTS, PARKS AND RECREATION  
REPORT; ACCEPTABLE MANAGEMENT PRACTICES;  
MAPLE SYRUP PRODUCTION UNDER USE VALUE  
APPRAISAL

On or before March 1, 2016, the Commissioner of Forests, Parks and Recreation shall submit to the House Committee on Fish, Wildlife and Water Resources, the Senate Committee on Natural Resources and Energy, and the House Committee on Natural Resources and Energy a recommendation and supporting basis as to whether:

(1) the acceptable management practices for maintaining water quality on logging jobs in Vermont should be mandatory for all logging operations on public and private forestland; and

(2) whether maple syrup production on forestland should be required to enroll in the use value appraisal program under 32 V.S.A. chapter 124 as managed forestland and not agricultural land.

Sec. 48. 10 V.S.A. § 1259(f) is amended to read:

(f) The provisions of subsections (c), (d), and (e) of this section shall not regulate accepted agricultural ~~or silvicultural~~ practices, as ~~such are defined adopted by rule by the secretary of agriculture, food and markets and the commissioner of forests, parks and recreation, respectively, after an opportunity for a public hearing~~ Secretary of Agriculture, Food and Markets, or the acceptable management practices for maintaining water quality on logging jobs in Vermont, as adopted by the Commissioner of Forests, Parks and Recreation; nor shall these provisions regulate discharges from concentrated animal feeding operations that require a permit under section 1263 of this title; nor shall those provisions prohibit stormwater runoff or the discharge of nonpolluting wastes, as defined by the ~~secretary~~ Secretary.

Sec. 49. 24 V.S.A. § 4413(d) is amended to read:

(d) A bylaw under this chapter shall not regulate accepted agricultural ~~and silvicultural~~ practices, including the construction of farm structures, as those practices are defined by the ~~secretary of agriculture, food and markets~~ Secretary of Agriculture, Food and Markets or ~~the commissioner of forests, parks and recreation~~ acceptable management practices for maintaining water quality on logging jobs in Vermont as adopted by the Commissioner of

Forests, Parks and Recreation, respectively, under 10 V.S.A. §§ ~~1021(f) and 1259(f)~~ § 2622 and 6 V.S.A. § 4810.

\* \* \*

\* \* \* Eligibility for Ecosystem Restoration Program Assistance \* \* \*

Sec. 50. ECOSYSTEM RESTORATION PROGRAM; CLEAN WATER FUND; ELIGIBILITY FOR FINANCIAL ASSISTANCE

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

\* \* \* Sunset of Rooms, Meals, and Alcohol Tax \* \* \*

Sec. 51. 32 V.S.A. § 9241 is amended to read:

§ 9241. IMPOSITION OF TAX

(a) An operator shall collect a tax of nine ~~and one-half~~ percent of the rent of each occupancy.

(b) An operator shall collect a tax on the sale of each taxable meal at the rate of nine ~~and one-half~~ percent of each full dollar of the total charge and on each sale for less than one dollar and on each part of a dollar in excess of a full dollar in accordance with the following formula:

<del>\$0.01-0.05</del>	<del>\$0.00</del>
0.06-0.15	0.01
0.16-0.26	0.02
0.27-0.36	0.03
0.37-0.47	0.04
0.48-0.57	0.05
0.58-0.68	0.06
0.69-0.78	0.07
0.79-0.89	0.08
0.90-0.99	0.09
<u>\$0.01-0.11</u>	<u>\$0.01</u>

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<u>0.12-0.22</u>	<u>0.02</u>
<u>0.23-0.33</u>	<u>0.03</u>
<u>0.34-0.44</u>	<u>0.04</u>
<u>0.45-0.55</u>	<u>0.05</u>
<u>0.56-0.66</u>	<u>0.06</u>
<u>0.67-0.77</u>	<u>0.07</u>
<u>0.78-0.88</u>	<u>0.08</u>
<u>0.89-1.00</u>	<u>0.09</u>

(c) An operator shall collect a tax on each sale of alcoholic beverages at the rate of ~~10.5~~ 10 percent of each full dollar of the total charge and on each sale for less than one dollar and on each part of a dollar in excess of a full dollar in accordance with the following formula:

<del>\$0.01-0.08</del>	<del>\$0.00</del>
<del>0.09-0.18</del>	<del>0.01</del>
<del>0.19-0.28</del>	<del>0.02</del>
<del>0.29-0.38</del>	<del>0.03</del>
<del>0.39-0.48</del>	<del>0.04</del>
<del>0.49-0.58</del>	<del>0.05</del>
<del>0.59-0.68</del>	<del>0.06</del>
<del>0.69-0.78</del>	<del>0.07</del>
<del>0.79-0.88</del>	<del>0.08</del>
<del>0.89-0.99</del>	<del>0.09</del>
<u>\$0.01-0.14</u>	<u>\$0.01</u>
<u>0.15-0.24</u>	<u>0.02</u>
<u>0.25-0.34</u>	<u>0.03</u>
<u>0.35-0.44</u>	<u>0.04</u>
<u>0.45-0.54</u>	<u>0.05</u>
<u>0.55-0.64</u>	<u>0.06</u>
<u>0.65-0.74</u>	<u>0.07</u>
<u>0.75-0.84</u>	<u>0.08</u>

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Sec. 52. 32 V.S.A. § 9242(c) is amended to read:

(c) A tax of nine ~~and one-half~~ percent of the gross receipts from ~~meals and~~ occupancies, nine ~~and one-half~~ percent of the gross receipts from meals, and 10 ~~and one-half~~ percent of the gross receipts from alcoholic beverages, exclusive of taxes collected pursuant to section 9241 of this title, received from occupancy rentals, taxable meals and alcoholic beverages by an operator, is hereby levied and imposed and shall be paid to the State by the operator as herein provided. Every person required to file a return under this chapter shall, at the time of filing the return, pay the Commissioner the taxes imposed by this chapter as well as all other monies collected by him or her under this chapter; provided, however, that every person who collects the taxes on taxable meals and alcoholic beverages according to the tax bracket schedules of section 9241 of this title shall be allowed to retain any amount lawfully collected by the person in excess of the tax imposed by this chapter as compensation for the keeping of prescribed records and the proper account and remitting of taxes.

Sec. 53. 32 V.S.A. § 435 is amended to read:

§ 435. GENERAL FUND

(a) There is established a General Fund which shall be the basic operating fund of the State. The General Fund shall be used to finance all expenditures for which no special revenues have otherwise been provided by law.

(b) The General Fund shall be composed of revenues from the following sources:

- (1) Alcoholic beverage tax levied pursuant to 7 V.S.A. chapter 15;
- (2) [Repealed.]
- (3) Electrical energy tax levied pursuant to chapter 213 of this title;
- (4) Corporate income and franchise taxes levied pursuant to chapter 151 of this title;
- (5) Individual income taxes levied pursuant to chapter 151 of this title;
- (6) All corporation taxes levied pursuant to chapter 211 of this title;
- (7) ~~95 percent of the meals~~ Meals, rooms, and alcohol taxes levied pursuant to chapter 225 of this title;
- (8) [Repealed.]

(9) Revenues from the Racing Fund consistent with 31 V.S.A. § ~~644~~ 609;

(10) 33 percent of the revenue from the property transfer taxes levied pursuant to chapter 231 of this title and the revenue from the gains taxes levied each year pursuant to chapter 236 of this title;

(11) 65 percent of the revenue from sales and use taxes levied pursuant to chapter 233 of this title;

(12) All other revenues accruing to the State not otherwise required by law to be deposited in any other designated fund or used for any other designated purpose.

Sec. 54. CLEAN WATER FUND; REPEAL OF DEPOSIT OF ROOMS,  
MEALS, AND ALCOHOL TAX

10 V.S.A. § 1388(a)(2)(A)(i) (Clean Water Fund; rooms, meals, and alcohol tax) shall be repealed on July 1, 2018.

Sec. 55. EFFECTIVE DATES

This act shall take effect on July 1, 2015, except that:

(1) Sec. 3 (small farm certification) shall take effect on July 1, 2017;

(2) 6 V.S.A. § 4988(b) of Sec. 16 shall take effect 45 days after the effective date of rules adopted under 6 V.S.A. § 4988(a).

(3) In Sec. 30, the permit requirements under 10 V.S.A. § 1264(h)(2) for discharges of regulated stormwater to Lake Champlain or to a water that contributes to the impairment of Lake Champlain shall take effect on October 1, 2015.

(4) Sec. 34 (Clean Water Fund) shall take effect on passage; and

(5) Secs. 51-54 (repeal of increase in rooms, meals, and alcohol tax) shall take effect July 1, 2018.

**Rep. Partridge of Windham** for the committee on Agriculture and Forest Products, recommended the report of the committee on Fish, Wildlife and Water Resources be amended as follows:

First: By striking out Sec. 1 in its entirety and inserting in lieu thereof the following:

Sec. 1. FINDINGS AND PURPOSE; AGRICULTURAL WATER QUALITY

(a) Findings. The General Assembly finds that:

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(1) The U.S. Environmental Protection Agency (EPA) has worked with the State of Vermont to improve the water quality in the Lake Champlain Basin and the waters of Vermont; however, insufficient progress has been made.

(2) Vermont has recently received approximately \$60,000,000.00 from federal sources to be used over the next five years. These funds are dedicated to improving the water quality of the Lake Champlain Basin area.

(3) Although Accepted Agricultural Practices (AAPs) were adopted in 1995, there is a continued need for increased awareness in the small farms community about the AAPs, and the Agency of Agriculture, Food and Markets should enlist partners to educate small farm operators concerning these requirements.

(4) There are 27 Large Farm Operations (LFOs) and 139 Medium Farm Operations (MFOs) that have been identified to date. Accurate data do not exist to identify the number of Small Farm Operations (SFOs) in Vermont, but estimates indicate approximately 6,500 SFOs exist in the State.

(5) Vermont agriculture has been identified as contributing 40 percent of the phosphorus loading to Lake Champlain. Although 60 percent of phosphorus loading to Lake Champlain comes from other sources, agricultural enterprises account for the largest single source. The other sources of phosphorus loading to Lake Champlain are stream instability at 22 percent, forestlands at 15 percent, developed lands and paved roads at 14 percent, unpaved roads at six percent, and wastewater treatment facilities at three percent.

(6) If EPA fails to accept Vermont's water quality implementation plan, much of the responsibility and cost for meeting a new Total Maximum Daily Load (TDML) plan will likely fall on municipalities and their wastewater treatment plants, which contribute only three percent to the phosphorus load in Lake Champlain. More effective leverage points are agricultural runoff and other nonpoint sources, and these should be an integral part of Vermont's water quality plan. Addressing agriculture's contribution to the problem will subject Vermont's farmers to additional requirements under the AAPs and other agricultural water quality rules.

(7) The Vermont agricultural community recognizes that it has a role to play in continuing efforts to reduce nutrient loading and improve water quality in the State, but additional State and federal assistance is necessary to fulfill this role successfully, including technical and financial assistance to encourage small farms to adopt and implement nutrient management plans.

(8) Many drivers impact water quality in the State, including agriculture, stormwater management, river channel stability, forest management, watershed and wetland protection and restoration, shoreland management, and internal phosphorus loading. In an effort to understand more fully the interconnections between these drivers and their relative impacts on water quality in the State, a six-month systems mapping process could lead to the identification of key leverage points, which, if addressed, could lead to high impact change as required in Vermont's impending TMDL agreement with EPA.

(9) Numerous stakeholder organizations have been working for many years to improve water quality in Vermont's watersheds, each in their own way. Given the complexity of the challenge we face in improving water quality as well as the complexity of natural systems in general, the General Assembly recognizes that a collaborative approach will be critical to addressing these challenges.

(b) Purpose. It is the purpose of this act to:

(1) improve the quality of the waters of Vermont;

(2) authorize and prioritize proactive measures designed to implement and meet the impending Total Maximum Daily Load (TMDL) plan for Lake Champlain, meet impending TMDL plans for other State waters, and improve water quality across the State;

(3) identify and prioritize cost-effective strategies for the State to address water quality issues; and

(4) engage more municipalities, agricultural operations, businesses, and other interested parties as part of the State's efforts to improve the quality of the waters of the State.

(5) provide mechanisms, staffing, and sustainable financing necessary for State waters to achieve and maintain compliance with the Vermont water quality standards.

Second: By striking out Sec. 3 in its entirety and inserting in lieu thereof the following:

Sec. 3. 6 V.S.A. subchapter 5a is added to read:

Subchapter 5a. Small Farm Certification

§ 4871. SMALL FARM CERTIFICATION

(a) Small farm definition. As used in this section, "small farm" means a parcel or parcels of land:

(1) on which 10 or more acres are used for farming;



(2) that house no more than the number of animals specified under section 4857 of this title; and

(3)(A) that house at least the number of adult animals that the Secretary of Agriculture, Food and Markets designates by rule under the Accepted Agricultural Practices; or

(B) are used for the preparation, tilling, fertilization, planting, protection, irrigation, and harvesting of crops for sale.

(b) Required small farm certification. A person who owns or operates a small farm shall, on a form provided by the Secretary, certify compliance with the accepted agricultural practices. The Secretary of Agriculture, Food and Markets shall establish the requirements and manner of certification of compliance with the accepted agricultural practices, provided that the Secretary shall require an owner or operator of a farm to submit a certification of compliance with the accepted agricultural practices at least once every five years.

(c) Certification due to water quality threat. The Secretary may require any person who owns or operates a farm to submit a small farm certification under this section if the person is not required to obtain a permit or submit a certification under this chapter and the Secretary determines that the farm poses a threat of discharge to a water of the State or presents a threat of contamination to groundwater.

(d) Rulemaking; small farm certification. The Secretary of Agriculture, Food and Markets shall adopt by rule requirements for a small farm certification of compliance with the accepted agricultural practices. The rules required by this subsection shall be adopted as part of the accepted agricultural practices under section 4810 of this title.

(e) Small farm inspection. The Secretary may inspect a small farm in the State at any time for the purposes of assessing compliance by the small farm with the accepted agricultural practices and determining consistency with a certification of compliance submitted by the person who owns or operates the small farm. The Secretary may prioritize inspections of small farms in the State based on identified water quality issues posed by a small farm.

(f) Notice of change of ownership or change of lease. A person who owns or leases a small farm shall notify the Secretary of a change of ownership or change of lessee of a small farm within 30 days of the change. The notification shall include the certification of small farm compliance required under subsection (a) of this section.

(g)(1) Identification; ranking of water quality needs. During an inspection of a small farm under this section, the Secretary shall identify areas where the

farm could benefit from capital, structural, or technical assistance in order to improve or come into compliance with the accepted agricultural practices and any applicable State water quality permit or certification required under this chapter.

(2) Notwithstanding the priority system established under section 4823 of this title, the Secretary annually shall establish a priority ranking system for small farms according to the water quality benefit associated with the capital, structural, or technical improvements identified as needed by the Secretary during an inspection of the farm.

(3) Notwithstanding the priority system established by subdivision (2) of this subsection, the Secretary may provide financial assistance to a small farm at any time, regardless of the priority ranking system, if the Secretary determines that the farm needs assistance to address a water quality issue that requires immediate abatement.

Third: By striking out Sec. 4 in its entirety and inserting in lieu thereof the following:

Sec. 4. 6 V.S.A. § 4810a is added to read:

§ 4810a. ACCEPTABLE AGRICULTURAL PRACTICES; REVISION

(a) On or before July 1, 2016, the Secretary of Agriculture, Food, and Markets shall amend the accepted agricultural practices in order to improve water quality in the State, assure practices on all farms eliminate adverse impacts to water quality, and implement the small farm certification program required by section 4858a of this title. At a minimum, the amendments to the accepted agricultural practices shall:

(1) Specify the number and type of animals housed on a farm that are subject to the small farm certification requirements under section 4871 of this title. The Secretary shall establish the number and type of animals under this subdivision based on the potential impact of the number and type of animals on the quality of the waters of the State.

(2) Specify those farms that:

(A) are required to comply with the small certification requirements under section 4871 of this title; and

(B) shall be subject to the accepted agricultural practices, but shall not be required to comply with small farm certification requirements under section 4871 of this title.

(3)(A) Prohibit a farm from stacking manure, storing fertilizer, or storing other nutrients on the farm:

(i) in a manner and location that presents a threat of discharge to a water of the State or presents a threat of contamination to groundwater; or

(ii) on lands in a floodway or otherwise subject to regular flooding.

(B) In no case shall manure stacking sites, fertilizer storage, or other nutrient storage be located within 100 feet of a private well or within 100 feet of a water of the State.

(4) Require the construction and management of barnyards, waste management systems, animal holding areas, and production areas in a manner to prevent runoff of waste to a surface water, to groundwater, or across property boundaries.

(5) Establish standards for nutrient management on farms, including required nutrient management planning on all farms that manage agricultural wastes.

(6) Require cropland on the farm to be cultivated in a manner that results in an average soil loss of less than or equal to the soil loss tolerance for the prevalent soil, known as 1T, as calculated through application of the Revised Universal Soil Loss Equation, or through the application of similarly accepted models.

(7) Require a farm to comply with standards established by the Secretary for maintaining a vegetative buffer zone of perennial vegetation between annual croplands and the top of the bank of an adjoining water of the State. At a minimum the vegetative buffer standards established by the Secretary shall prohibit the application of manure on the farm within 25 feet of the top of the bank of an adjoining water of the State or within 10 feet of a ditch.

(8) Prohibit the construction or siting of a farm structure for the storage of manure, fertilizer, or pesticide storage within a floodway area identified on a National Flood Insurance Program Map on file with a town clerk.

(9) Regulate, in a manner consistent with the Agency of Natural Resources' flood hazard area and river corridor rules, the construction or siting of a farm structure or the storage of manure, fertilizer, or pesticides storage within a river corridor designated by the Secretary of Natural Resources.

(10) Establish standards for the exclusion of livestock from the waters of the State to prevent erosion and adverse water quality impacts.

(b) On or before January 15, 2018, the Secretary of Agriculture, Food and Markets shall amend the accepted agricultural practices in order to include requirements for reducing nutrient contribution to waters of the State from

subsurface tile drainage. Upon adoption of requirements for subsurface tile drainage, the Secretary may require an existing subsurface tile drain to comply with the requirements of the AAPs for subsurface tile drainage upon a determination that compliance is necessary to reduce adverse impacts to water quality from the subsurface tile drain.

Fourth: In Sec. 6, 6 V.S.A. § 4803, by striking out subsection (a) in its entirety and inserting in lieu thereof the following:

(a) There is created an Agricultural Water Quality Special Fund to be administered by the Secretary of Agriculture, Food and Markets. The Fund shall consist of revenues dedicated for deposit to the Fund by the General Assembly.

Fifth: By striking out Secs. 7, 8, and 9 (LFO, MFO, and commercial feed fees) in their entirety and inserting in lieu thereof the following:

Sec. 7. [Deleted.]

Sec. 8. [Deleted.]

Sec. 9. [Deleted.]

Sixth: By striking out Secs. 11 and 12 (fertilizer and economic poison fees) in their entirety and inserting in lieu thereof the following:

Sec. 11. [Deleted.]

Sec. 12. [Deleted.]

Seventh: By striking out Sec. 13 in its entirety and inserting in lieu thereof the following:

Sec. 13. 6 V.S.A. § 4810 is amended to read:

§ 4810. AUTHORITY; COOPERATION; COORDINATION

(a) Agricultural land use practices. In accordance with 10 V.S.A. § 1259(i), the ~~secretary~~ Secretary shall adopt by rule, pursuant to 3 V.S.A. chapter 25 of Title 3, and shall implement and enforce agricultural land use practices in order to ~~reduce the amount of agricultural pollutants entering the waters of the state~~ satisfy the requirements of 33 U.S.C. § 1329 that the State identify and manage nonpoint sources of agricultural waste to waters of the State. These agricultural land use practices shall be created in two categories, pursuant to ~~subdivisions (1) and (2) of this subsection~~ subsections (b) and (c) of this section.

~~(1)(b)~~ (b) Accepted Agricultural Practices. “Accepted Agricultural Practices” (AAPs) shall be management standards to be followed in ~~conducting agricultural activities by all persons engaged in farming in this state~~

State. These standards shall address activities which have a potential for causing pollutants to enter the groundwater and waters of the ~~state~~ State, including dairy and other livestock operations plus all forms of crop and nursery operations and on-farm or agricultural ~~fairground~~ fairgrounds, registered pursuant to 20 V.S.A. § 3902, livestock and poultry slaughter and processing activities. The AAPs shall include, as well as promote and encourage, practices for farmers in preventing pollutants from entering the groundwater and waters of the ~~state~~ State when engaged in, ~~but not limited to,~~ animal waste management and disposal, soil amendment applications, plant fertilization, and pest and weed control. Persons engaged in farming, ~~as defined in 10 V.S.A. § 6001,~~ who follow are in compliance with these practices shall be presumed to be in compliance with water quality standards. AAPs shall be practical and ~~cost-effective~~ cost-effective to implement, as determined by the Secretary. Where the Secretary determines, after inspection of a farm, that a person engaged in farming is complying with the AAPs but is not complying with the requirements of the State water quality standards, the Secretary shall require the person to implement additional, site-specific conservation practices designed to meet the State water quality standards. When requiring implementation of a conservation practice under this subsection, the Secretary shall inform the person engaged in farming of the resources available to assist the person in implementing the conservation practice and complying with the requirements of this chapter. The AAPs for groundwater shall include a process under which the ~~agency~~ Agency shall receive, investigate, and respond to a complaint that a farm has contaminated the drinking water or groundwater of a property owner.

~~(2)(c)~~ Best Management Practices. ~~“Best Management Practices” (BMPs) may be required by the secretary on a case by case basis. Before requiring BMPs, the secretary shall determine that sufficient financial assistance is available to assist farmers in achieving compliance with applicable BMPs.~~ “Best management practices” (BMPs) are site-specific on-farm conservation practices implemented in order to address water quality problems and in order to achieve compliance with the requirements of this chapter or State water quality standards. The Secretary may require any person engaged in farming to implement a BMP. When requiring implementation of a BMP, the Secretary shall inform a person engaged in farming of the resources available to assist the person in implementing BMPs and complying with the requirements of this chapter. BMPs shall be practical and ~~cost-effective~~ cost-effective to implement, as determined by the Secretary, and shall be designed to achieve compliance with the requirements of this chapter.

~~(b)(d)~~ Cooperation and coordination. ~~The secretary of agriculture, food and markets~~ Secretary of Agriculture, Food and Markets shall coordinate with

the ~~secretary of natural resources~~ Secretary of Natural Resources in implementing and enforcing programs, plans, and practices developed for reducing and eliminating agricultural non-point source pollutants and discharges from concentrated animal feeding operations. The ~~secretary of agriculture, food and markets~~ Secretary of Agriculture, Food and Markets and the ~~secretary of natural resources~~ Secretary of Natural Resources shall develop a memorandum of understanding for the non-point program describing program administration, grant negotiation, grant sharing, and how they will coordinate watershed planning activities to comply with Public Law 92-500. The ~~secretary of agriculture, food and markets~~ Secretary of Agriculture, Food and Markets and the ~~secretary of the agency of natural resources~~ Secretary of Natural Resources shall also develop a memorandum of understanding according to the public notice and comment process of 10 V.S.A. § 1259(i) regarding the implementation of the federal concentrated animal feeding operation program and the relationship between the requirements of the federal program and the ~~state~~ State agricultural water quality requirements for large, medium, and small farms under this chapter ~~215 of this title~~. The memorandum of understanding shall describe program administration, permit issuance, an appellate process, and enforcement authority and implementation. The memorandum of understanding shall be consistent with the federal National Pollutant Discharge Elimination System permit regulations for discharges from concentrated animal feeding operations. The allocation of duties under this chapter between the ~~secretary of agriculture, food and markets~~ Secretary of Agriculture, Food and Markets and the ~~secretary of natural resources~~ Secretary of Natural Resources shall be consistent with the ~~secretary's~~ Secretaries' duties, established under the provisions of 10 V.S.A. § 1258(b), to comply with Public Law 92-500. The ~~secretary of natural resources~~ Secretary of Natural Resources shall be the ~~state~~ State lead person in applying for federal funds under Public Law 92-500, but shall consult with the ~~secretary of agriculture, food and markets~~ Secretary of Agriculture, Food and Markets during the process. The agricultural non-point source program may compete with other programs for competitive watershed projects funded from federal funds. The ~~secretary of agriculture, food and markets~~ Secretary of Agriculture, Food and Markets shall be represented in reviewing these projects for funding. Actions by the ~~secretary of agriculture, food and markets~~ Secretary of Agriculture, Food and Markets under this chapter concerning agricultural non-point source pollution shall be consistent with the water quality standards and water pollution control requirements of 10 V.S.A. chapter 47 of Title 10 and the federal Clean Water Act as amended. In addition, the ~~secretary of agriculture, food and markets~~ Secretary of Agriculture, Food and Markets shall coordinate with the ~~secretary of natural resources~~ Secretary of Natural Resources in implementing and enforcing

programs, plans, and practices developed for the proper management of composting facilities when those facilities are located on a farm.

Eighth: In Sec. 15, 6 V.S.A. § 4981, in subdivision (b)(3), after “land-applied manure, nutrients,” and before “or sludge to waters of the State” by inserting “septage,”

Ninth: In Sec. 17, by striking out 6 V.S.A. § 4991 in its entirety and inserting in lieu thereof the following:

§ 4991. PURPOSE

The purpose of this subchapter is to provide the Secretary of Agriculture, Food and Markets with the necessary authority to enforce the agricultural water quality requirements of this chapter. When the Secretary of Agriculture, Food and Markets determines that a person subject to the requirements of the chapter is violating a requirement of this chapter, the Secretary shall respond to and require discontinuance of the violation. The Secretary may respond to a violation of the requirements of this chapter by:

(1) consulting with a farmer or pursuing other nonregulatory action within the authority of the Secretary to assure discontinuance of the violation and remediation of any harm caused by the violation;

(2) issuing a corrective action order under section 4992 of this title;

(3) issuing a cease and desist order under section 4993 of this title;

(4) issuing an emergency order under section 4993 of this title;

(5) revoking or conditioning coverage under a permit or certification under section 4994 of this title;

(6) bringing a civil enforcement action under section 4995 of this title; or

(7) referring the violation to the Secretary of Natural Resources for enforcement under 10 V.S.A. chapter 201.

and in 6 V.S.A. § 4993, by striking out subdivision (a)(2) in its entirety and inserting in lieu thereof the following:

(2) Issue emergency administrative orders to protect water quality when an alleged violation, activity, or farm practice:

(A) presents or is likely to result in an immediate threat of substantial harm to the environment or immediate threat to the public health or welfare; or

(B) requires a permit or amendment to a permit issued under this chapter and a farm owner or operator has commenced an activity or is continuing an activity without a permit or permit amendment.

Tenth: By striking out Secs. 22–24 (AAPs as condition of use value appraisal) in their entirety, including the reader assistance associated with these sections, and inserting in lieu thereof the following:

Sec. 22. [Deleted.]

Sec. 23. [Deleted.]

Sec. 24. [Deleted.]

Eleventh: In Sec. 34, 10 V.S.A. § 1388, by striking out subdivision (a)(2) in its entirety and inserting in lieu thereof the following:

(2) the Fund shall consist of:

(A) Revenues dedicated for deposit into the Fund by the General Assembly.

(B) Other gifts, donations, and impact fees received from any source, public or private, dedicated for deposit into the Fund and approved by the Board. Gifts or donations submitted to the Fund shall be deductible from the tax levied under 32 V.S.A. chapter 151.

Twelfth: By striking out Secs. 36, 37, and 38 (rooms, meals, and alcohol tax) and inserting in lieu thereof:

Sec. 36. [Deleted.]

Sec. 37. [Deleted.]

Sec. 38. [Deleted.]

Thirteenth: By striking out Secs. 40 and 41 (gasoline tax) in their entirety, including the reader assistance associated with these sections, and inserting in lieu thereof:

Sec. 40. [Deleted.]

Sec. 41. [Deleted.]

Fourteenth: By striking out Secs. 42 and 43 (DEC permit fees) in their entirety, including the reader assistance associated with these sections, and inserting in lieu thereof the following:

Sec. 42. [Deleted.]

Sec. 43. [Deleted.]

Fifteenth: By striking out Secs. 51–54 (sunset of increase on rooms, meals and alcohol tax) in their entirety, including the reader assistance associated with these sections, and inserting in lieu thereof the following:

Sec. 51. [Deleted.]

Sec. 52. [Deleted.]

Sec. 53. [Deleted.]

Sec. 54. [Deleted.]

Sixteenth: By including a reader assistance prior to Sec. 55 to read as follows: \* \* \* Effective Dates \* \* \*



Seventeenth: In Sec. 55 (effective dates), in subdivision (4) by striking out “; and” where it appears and inserting in lieu thereof “.” and by striking out subdivision (5) (effective date of sunset of rooms, meals, and alcohol tax) in its entirety

**Rep. Branagan of Georgia** for the committee on Ways and Means recommended that the report of the committee on Fish, Wildlife and Water Resources be amended as follows:

First: In Sec. 3, in 6 V.S.A. § 4871, by adding a subsection (h) to read:

(h) Fees.

(1) A person required to submit a certification under this section shall submit to the Secretary the following annual operating fee:

(A) \$250.00 for farms that house less than 100 mature dairy animals; and

(B) \$500.00 for farms that house 100 to 199 mature dairy animals.

(2) The fees collected under this section shall be deposited in the Agricultural Water Quality Special Fund under section 4803 of this title.

Second: In Sec. 6, 6 V.S.A. § 4803, by striking out subsection (a) in its entirety and inserting in lieu thereof the following:

(a) There is created an Agricultural Water Quality Special Fund to be administered by the Secretary of Agriculture, Food and Markets. Fees collected under this chapter, including fees for permits or certifications issued under this chapter, shall be deposited in the Fund.

Third: By striking out Secs. 7, 8, and 9 in their entirety and inserting in lieu thereof the following:

Sec. 7. 6 V.S.A. § 4851(h) is added to read:

(h) A person required to obtain a permit under this section shall submit an annual operating fee of \$2,500.00 to the Secretary. The fees collected under this section shall be deposited in the Agricultural Water Quality Special Fund under section 4803 of this title.

Sec. 8. 6 V.S.A. § 4858 is amended to read:

§ 4858. ~~ANIMAL WASTE PERMITS~~ MEDIUM FARM OPERATION

PERMITS

\* \* \*

(b) Rules; general and individual permits. The ~~secretary~~ Secretary shall establish by rule, pursuant to 3 V.S.A. chapter 25 ~~of Title 3~~, requirements for a

“general permit” and “individual permit” to ~~ensure~~ assure that medium and small farms generating animal waste comply with the water quality standards of the ~~state~~ State.

\* \* \*

(2) The rules adopted under this section shall also address permit administration, public notice and hearing, permit enforcement, permit transition, revocation, and appeals consistent with provisions of sections 4859; ~~4860~~, and 4861 of this title and subchapter 10 of this chapter.

\* \* \*

(e) A person required to obtain a permit or coverage under this section shall submit an annual operating fee of \$1,500.00 to the Secretary. The fees collected under this section shall be deposited in the Agricultural Water Quality Special Fund under section 4803 of this title.

Sec. 9. 6 V.S.A. § 324(b) is amended to read:

(b) A person shall not distribute in this State a commercial feed that has not been registered pursuant to the provisions of this chapter. Application shall be in a form and manner to be prescribed by rule of the Secretary. The application for registration of a commercial feed shall be accompanied by a registration fee of ~~\$85.00~~ \$100.00 per product. ~~The~~ Of the registration fees collected, ~~\$85.00 of each collected fee~~, along with any surcharges collected under subsection (c) of this section, shall be deposited in the special fund created by subsection 364(e) of this title. Funds deposited in this account shall be restricted to implementing and administering the provisions of this title and any other provisions of the law relating to fertilizer, lime, or seeds. Of the registration fees collected, \$15.00 of each collected fee shall be deposited in the Agricultural Water Quality Special Fund created under section 4803 of this title. If the Secretary so requests, the application for registration shall be accompanied by a label or other printed matter describing the product.

Fourth: By striking out Secs. 11 and 12 in their entirety and inserting in lieu thereof the following:

Sec. 11. 6 V.S.A. § 366 is amended to read:

§ 366. TONNAGE FEES

(a) There shall be paid annually to the ~~secretary~~ Secretary for all fertilizers distributed to a nonregistrant consumer in this ~~state~~ State an annual ~~inspection~~ fee at a rate of \$0.25 cents per ton.

(b) Persons distributing fertilizer shall report annually by January 15 for the previous year ending December 31 to the ~~secretary~~ Secretary revealing the

amounts of each grade of fertilizer and the form in which the fertilizer was distributed within this ~~state~~ State. Each report shall be accompanied with payment and written permission allowing the ~~secretary~~ Secretary to examine the person's books for the purpose of verifying tonnage reports.

(c) No information concerning tonnage sales furnished to the ~~secretary~~ Secretary under this section shall be disclosed in such a way as to divulge the details of the business operation to any person unless it is necessary for the enforcement of the provisions of this chapter.

(d) ~~A \$50.00 minimum tonnage fee shall be assessed on all distributors who distribute fertilizers in this state. [Repealed.]~~

(e) Agricultural limes, including agricultural lime mixed with wood ash, are exempt from the tonnage fees required in this section.

(f) Lime and wood ash mixtures may be registered as agricultural liming materials and guaranteed for potassium or potash provided that the wood ash totals less than 50 percent of the mixture.

(g) All fees collected under subsection (a) of this section shall be deposited in the revolving fund created by section 364(e) of this title and used in accordance with its provisions.

(h) There shall be paid annually to the Secretary for all fertilizers distributed to a nonregistrant consumer in this State an annual fee at a rate of \$30.00 per ton on nonagricultural fertilizer for the purpose of supporting agricultural water quality programs in Vermont.

(1) Persons distributing fertilizer shall report annually on or before January 15 for the previous year ending December 31 to the Secretary revealing the amounts of each grade of fertilizer and the form in which the fertilizer was distributed within this State. Each report shall be accompanied with payment of the fees under this section and written permission allowing the Secretary to examine the person's books for the purpose of verifying tonnage reports.

(2) No information concerning tonnage sales furnished to the Secretary under this section shall be disclosed in such a way as to divulge the details of the business operation to any person unless it is necessary for the enforcement of the provisions of this chapter.

(3) A \$150.00 minimum tonnage fee shall be assessed on all distributors who distribute nonagricultural fertilizers in this State.

(4) Agricultural limes, including agricultural lime mixed with wood ash, are exempt from the tonnage fees required under this subsection.

(5) All fees collected under this subsection shall be deposited in the Agricultural Water Quality Special Fund created under section 4803 of this title.

Sec. 12. 6 V.S.A. § 918 is amended to read:

§ 918. REGISTRATION

(a) Every economic poison which is distributed, sold, or offered for sale within this State or delivered for transportation or transported in intrastate commerce or between points within this State through any point outside this State shall be registered in the Office of the Secretary, and such registration shall be renewed annually; provided, that products which have the same formula, are manufactured by the same person, the labeling of which contains the same claims, and the labels of which bear a designation identifying the product as the same economic poison may be registered as a single economic poison; and additional names and labels shall be added by supplement statements during the current period of registration. It is further provided that any economic poison imported into this State, which is subject to the provisions of any federal act providing for the registration of economic poisons and which has been duly registered under the provisions of this chapter, may, in the discretion of the Secretary, be exempted from registration under this chapter, when sold or distributed in the unbroken immediate container in which it was originally shipped. The registrant shall file with the Secretary a statement including:

(1) The name and address of the registrant and the name and address of the person whose name will appear on the label, if other than the registrant.

(2) The name of the economic poison.

(3) A complete copy of the labeling accompanying the economic poison and a statement of all claims to be made for it, including directions for use.

(4) If requested by the Secretary, a full description of the tests made and the results thereof upon which the claims are based. In the case of renewal of registration, a statement shall be required only with respect to information which is different from that furnished when the economic poison was registered or last re-registered.

(b) The registrant shall pay an annual fee of ~~\$110.00~~ \$125.00 for each product registered, and \$110.00 of that amount shall be deposited in the special fund created in section 929 of this title, of which \$5.00 from each product registration shall be used for an educational program related to the proper purchase, application, and disposal of household pesticides, and \$5.00 from each product registration shall be used to collect and dispose of obsolete and unwanted pesticides. Of the registration fees collected under this subsection,

\$15.00 of the amount collected shall be deposited in the Agricultural Water Quality Special Fund created under section 4803 of this title. The annual registration year shall be from December 1 to November 30 of the following year.

\* \* \*

Fifth: By striking out Secs. 22–24 in their entirety and inserting in lieu thereof the following:

\* \* \* Use Value Appraisal; Compliance with  
Accepted Agricultural Practices \* \* \*

Sec. 22. 32 V.S.A. § 3756(i) is amended to read:

(i)(1) The Director shall remove from use value appraisal an entire parcel of managed ~~forest land~~ forestland and notify the owner in accordance with the procedure in subsection (b) of this section when the Department Commissioner of Forests, Parks and Recreation has not received a management activity report or has received an adverse inspection report, unless the lack of conformance consists solely of the failure to make prescribed planned cutting. In that case, the Director may delay removal from use value appraisal for a period of one year at a time to allow time to bring the parcel into conformance with the plan.

(2)(A) The Director shall remove from use value appraisal an entire parcel or parcels of agricultural land and farm buildings identified by the Secretary of Agriculture, Food and Markets as being used by a person:

(i) found, after administrative hearing, or contested judicial hearing or motion, to be in violation of water quality requirements established under 6 V.S.A. chapter 215, or any rules adopted or any permit or certification issued under 6 V.S.A. chapter 215; or

(ii) who is not in compliance with the terms of an administrative or court order issued under 6 V.S.A. chapter 215, subchapter 10 to remedy a violation of the requirements of 6 V.S.A. chapter 215 or any rules adopted or any permit or certification issued under 6 V.S.A. chapter 215.

(B) The Director shall notify the owner that agricultural land or a farm building has been removed from use value appraisal by mailing notification of removal to the owner or operator's last and usual place of abode. After removal of agricultural land or a farm building from use value appraisal under this section, the Director shall not consider a new application for use value appraisal for the agricultural land or farm building until the Secretary of Agriculture, Food and Markets submits to the Director a certification that the owner or operator of the agricultural land or farm building is complying with the water quality requirements of 6 V.S.A. chapter 215 or an

order issued under 6 V.S.A. chapter 215. After submission of a certification by the Secretary of Agriculture, Food and Markets, an owner or operator shall be eligible to apply for enrollment of the agricultural land or farm building according to the requirements of section 3756 of this title.

Sec. 23. 32 V.S.A. § 3758 is amended to read:

§ 3758. APPEALS

(a) Whenever the Director denies in whole or in part any application for classification as agricultural land or managed forestland or farm buildings, or grants a different classification than that applied for, or the Director or assessing officials fix a use value appraisal or determine that previously classified property is no longer eligible or that the property has undergone a change in use, the aggrieved owner may appeal the decision of the Director to the Commissioner within 30 days of the decision, and from there to Superior Court in the county in which the property is located.

\* \* \*

(e) When the Director removes agricultural land or a farm building pursuant to notification from the Secretary of Agriculture, Food and Markets under section 3756 of this title, the exclusive right of appeal shall be as provided in 6 V.S.A. § 4996(a).

Sec. 24. 32 V.S.A. § 3752(5) is amended to read:

(5) “Development” means, for the purposes of determining whether a land use change tax is to be assessed under section 3757 of this chapter, the construction of any building, road, or other structure, or any mining, excavation, or landfill activity. “Development” also means the subdivision of a parcel of land into two or more parcels, regardless of whether a change in use actually occurs, where one or more of the resulting parcels contains less than 25 acres each; but if subdivision is solely the result of a transfer to one or more of a spouse, parent, grandparent, child, grandchild, niece, nephew, or sibling of the transferor, or to the surviving spouse of any of the foregoing, then “development” shall not apply to any portion of the newly created parcel or parcels which qualifies for enrollment and for which, within 30 days following the transfer, each transferee or transferor applies for reenrollment in the use value appraisal program. “Development” also means the cutting of timber on property appraised under this chapter at use value in a manner contrary to a forest or conservation management plan as provided for in subsection 3755(b) of this title during the remaining term of the plan, or contrary to the minimum acceptable standards for forest management if the plan has expired; or a change in the parcel or use of the parcel in violation of the conservation management standards established by the Commissioner of Forests, Parks and

Recreation. “Development” also means notification of the Director by the Secretary of Agriculture, Food and Markets under section 3756 of this title that the owner or operator of agricultural land or a farm building is violating the water quality requirements of 6 V.S.A. chapter 215 or is failing to comply with the terms of an order issued under 6 V.S.A. chapter 215, subchapter 10. The term “development” shall not include the construction, reconstruction, structural alteration, relocation, or enlargement of any building, road, or other structure for farming, logging, forestry, or conservation purposes, but shall include the subsequent commencement of a use of that building, road, or structure for other than farming, logging, or forestry purposes.

Sixth: Prior to Sec. 34, by striking the reader assistance in its entirety and inserting in lieu thereof the following:

\* \* \* Water Quality Funding; Clean Water Fund;  
Clean Water Surcharge \* \* \*

Seventh: In Sec. 34, 10 V.S.A. § 1388, by striking out subdivision (a)(2) in its entirety and inserting in lieu thereof the following:

(2) the Fund shall consist of:

(A) Revenues dedicated for deposit into the Fund by the General Assembly, including the surcharge assessed under 32 V.S.A. § 9602a; and

(B) Other gifts, donations, and impact fees received from any source, public or private, dedicated for deposit into the Fund and approved by the Board.

Eighth: By striking out Sec. 35 (taxable income definition) in its entirety and inserting in lieu thereof the following:

Sec. 35. [Deleted].

Ninth: By striking out Sec. 36 in its entirety and inserting in lieu thereof the following:

Sec. 36. 32 V.S.A. § 9602a is added to read:

§ 9602a. CLEAN WATER SURCHARGE

There shall be a surcharge of 0.2 percent on the value of property subject to the property transfer tax under section 9602 of this title, except that there shall be no surcharge on the first \$100,000.00 in value of property to be used for the principal residence of the transferee. The surcharge shall be in addition to any tax assessed under section 9602 of this title. The surcharge assessed under this section shall be paid, collected, and enforced under this chapter in the same manner as the tax assessed under section 9602 of this title. The Commissioner

shall deposit the surcharge collected under this section in the Clean Water Fund under 10 V.S.A. § 1388.

Tenth: By striking out Secs. 37 and 38 in their entirety and inserting in lieu thereof the following:

\* \* \* Department of Environmental Conservation Water Quality Fees \* \* \*

Sec. 37. 3 V.S.A. § 2822 is amended to read:

§ 2822. BUDGET AND REPORT; POWERS

\* \* \*

(i) The Secretary shall not process an application for which the applicable fee has not been paid unless the Secretary specifies that the fee may be paid at a different time or unless the person applying for the permit is exempt from the permit fee requirements pursuant to 32 V.S.A. § 710. ~~In addition, the persons who are exempt under 32 V.S.A. § 710 are also exempt from the application fees for stormwater operating permits specified in subdivisions (j)(2)(A)(iii)(I) and (II) of this section if they otherwise meet the requirements of 32 V.S.A. § 710.~~ Municipalities shall be exempt from the payment of fees under this section except for those fees prescribed in subdivisions (j)(1), ~~(2)~~, (7), (8), (14), and (15) of this section for which a municipality may recover its costs by charging a user fee to those who use the permitted services. Municipalities shall pay fees prescribed in subdivisions (j)(2), (10), (11), and (26), except that a municipality shall also be exempt from those fees for orphan stormwater systems prescribed in subdivisions (j)(2)(A)(iii) and (2)(B)(iv)(I) or (II) of this section when the municipality agrees to become an applicant or co-applicant for an orphan stormwater system under 10 V.S.A. § 1264e for which a municipality has assumed full legal responsibility under 10 V.S.A. § 1264.

(j) In accordance with subsection (i) of this section, the following fees are established for permits, licenses, certifications, approvals, registrations, orders, and other actions taken by the Agency of Natural Resources.

\* \* \*

(2) For discharge permits issued under 10 V.S.A. chapter 47 and orders issued under 10 V.S.A. § 1272, an administrative processing fee of ~~\$120.00~~ \$240.00 shall be paid at the time of application for a discharge permit in addition to any application review fee and any annual operating fee, except for permit applications under subdivisions (2)(A)(iii)(III) and (V) of this subsection:

(A) Application review fee.

(i) Municipal, industrial,



noncontact cooling water, and thermal discharges.

- |  |   |
|--|---|
| (I) Individual permit: original application; amendment for increased flows; amendment for change in treatment process; | <del>\$0.0023</del> <u>\$0.003</u> per gallon design flow; minimum <del>\$50.00</del> <u>\$100.00</u> per outfall; maximum 30,000.00 per application. |
| (II) Renewal, transfer, or minor amendment of individual permit;   | <del>\$0.00</del> <u>\$0.002</u> per gallon design flow; minimum <u>\$50.00</u> per outfall; maximum <u>\$5,000.00</u> per application.               |
| (III) General permit;  | \$0.00.   |
- (ii) Pretreatment discharges.
- |  |   |
|--|---|
| (I) Individual permit: original application; amendment for increased flows; amendment for change in treatment process; | <del>\$0.12</del> <u>\$0.20</u> per gallon design flow; minimum <del>\$50.00</del> <u>\$100.00</u> per outfall. |
| (II) Renewal, transfer, or minor amendment of individual permit;   | <del>\$0.00</del> <u>\$0.002</u> per gallon design flow; minimum <u>\$50.00</u> per outfall.                    |
- (iii) Stormwater discharges.
- |  |  |
|--|--|
| (I) Individual operating permit or application to operate under general operating permit for collected stormwater runoff which is discharged to Class B waters: original application; amendment for increased flows; amendment for change in | <del>\$430.00</del> <u>\$860.00</u> per acre impervious area; minimum <del>\$220.00</del> <u>\$440.00</u> per application. |
|--|--|

treatment process-;

(II) Individual operating permit or application to operate under general operating permit for collected stormwater runoff which is discharged to Class A waters; original application; amendment for increased flows; amendment for change in treatment process. \$1,400.00 per acre impervious area; minimum \$1,400.00 per application.

(III) Individual permit or application to operate under general permit for construction activities; original application; amendment for increased acreage.

(aa) Projects with low risk to waters of the State-; ~~\$50.00~~ five acres or less: \$100.00 per project; original application.

(bb) Projects with low risk to waters of the State; greater than five acres: \$220.00 per project.

(cc) Projects with moderate risk to waters of the State-; ~~\$360.00~~ five acres or less: \$480.00 per project original application.

~~(cc) Projects that require an individual permit.~~ \$720.00 per project original application.

(dd) Projects with moderate risk to waters of the State; greater than five acres: \$640.00.

- 
- (ee) Projects that require an individual permit; ten acres or less: \$1,200.00.
- (ff) Projects that require an individual permit; greater than 10 acres: \$1,800.00.
- (IV) Individual permit or application to operate under general permit for stormwater runoff associated with industrial activities with specified SIC codes; original application; amendment for change in activities-; ~~\$220.00~~ \$440.00 per facility.
- (V) Individual permit or application to operate under general permit for stormwater runoff associated with municipal separate storm sewer systems; original application; amendment for change in activities-; ~~\$1,200.00~~ \$2,400.00 per system.
- (VI) Individual operating permit or application to operate under a general permit for a residually designated stormwater discharge original application; amendment; for increased flows amendment; for change in treatment process.
- (aa) For discharges to Class B water; ~~\$430.00~~ \$860.00 per acre of impervious area, minimum ~~\$220.00~~ \$280.00.
- (bb) For discharges to Class A water; ~~\$1,400.00~~ \$1,700.00 per acre of impervious area, minimum ~~\$1,400.00~~ \$1,700.00.
- (VII) Renewal, transfer, or minor amendment of individual ~~permit or approval under~~ \$0.00.



runoff which is discharged to

Class B waters:;

(III) Individual permit or ~~\$80.00~~ \$160.00

approval under general permit per facility.

for stormwater runoff from

industrial facilities with

specified SIC codes:;

(IV) Individual permit or ~~\$80.00~~ per system

application to operate under \$10.00 per acre

general permit for stormwater impervious surface within

runoff associated with municipal the municipality; annually.

separate storm sewer systems:;

(V) Individual permit or approval under general permit for residually designated stormwater discharges.

(aa) For discharges to Class A water; ~~\$255.00~~ \$310.00 per acre of impervious area, minimum ~~\$255.00~~ \$310.00.

(bb) For discharges to Class B water; ~~\$80.00~~ \$160.00 per acre of impervious area, minimum ~~\$80.00~~ \$160.00.

(VI) Application to operate under a general permit for stormwater runoff associated with municipal roads: \$2,000.00 per authorization annually.

(VII) Application to operate under a general permit for stormwater runoff associated with State roads: \$90,000.00 per authorization annually.

\* \* \*

(11) For stream alteration and flood hazard area permits issued under 10 V.S.A. ~~chapter~~ chapters 41 and 32: ~~\$225.00~~ per application.

(A) Stream alteration; individual permit: \$350.00.

(B) Stream alteration; general permit; reporting category: \$200.00.

(C) Stream alteration; individual permit; municipal bridge, culvert, and unimproved property protection: \$350.00.

(D) Stream alteration; general permit; municipal bridge, culvert, and unimproved property protection: \$200.00.

(E) Stream alteration; Agency of Transportation reviews; bridge, culvert, and high risk projects: \$350.00.

(F) Flood hazard area; individual permit; State facilities; hydraulic and hydrologic modeling required: \$350.00.

(G) Flood hazard area; individual permit; State facilities; hydraulic and hydrologic modeling not required: \$200.00.

(H) Flood hazard area; municipal reviews; reviews requiring hydraulic and hydrologic modeling, compensatory storage volumetric analysis, or river corridor equilibrium: \$350.00.

(I) Flood hazard area; municipal review; projects not requiring hydraulic or hydrologic modeling: \$200.00.

(J) River corridor; major map amendments: \$350.00.

\* \* \*

(14) For certification of sewage treatment plant operators issued under 10 V.S.A. chapter 47:

(A) original application: ~~\$110.00~~ \$125.00.

(B) renewal application: ~~\$110.00~~ \$125.00.

(15) For sludge or septage facility certifications issued under 10 V.S.A. chapter 159:

(A) land application sites; facilities that further reduce pathogens; disposal facilities: ~~\$950.00~~ \$1,000.00 per application.

(B) all other types of facilities: ~~\$110.00~~ \$125.00 per application.

\* \* \*

(26) For individual conditional use determinations, for individual wetland permits, for general conditional use determinations issued under 10 V.S.A. § 1272, or for wetland authorizations issued under a general permit, an administrative processing fee assessed under subdivision (2) of this subsection (j) and an application fee of:

(A) \$0.75 per square foot of proposed impact to Class I or II wetlands;

(B) \$0.25 per square foot of proposed impact to Class I or II wetland buffers;

(C) maximum fee, for the conversion of Class II wetlands or wetland buffers to cropland use, \$200.00 per application. ~~For purposes of As used in~~ this subdivision, "cropland" means land that is used for the production of agricultural crops, including row crops, fibrous plants, pasture, fruit-bearing bushes, trees, or vines and the production of Christmas trees;

(D) \$0.25 per square foot of proposed impact to Class I or II wetlands or Class I or II wetland buffer for utility line, pipeline, and ski trail projects when the proposed impact is limited to clearing forested wetlands in a corridor and maintaining a cleared condition in that corridor for the project life;

(E) \$1.50 per square foot of impact to Class I or II wetlands when the permit is sought after the impact has taken place;

(F) \$100.00 per revision to an application for an individual wetland permit or authorization under a general permit when the supplement is due to a change to the project that was not requested by the Secretary; and

(G) minimum fee, \$50.00 per application.

\* \* \*

(33) \$10.00 per 1,000 gallons based on the rated capacity of the tank being pumped rounded to the nearest 1,000 gallons.

\* \* \*

Sec. 38. 32 V.S.A. § 710 is amended to read:

#### § 710. PAYMENT OF STATE AGENCY FEES

(a) Notwithstanding any other provision of law, the Agency of Transportation, any cooperating municipalities, and their contractors or agents shall be exempt from the payment of fee charges for reviews, inspections, or nonoperating permits issued by the Department of Public Safety, a District Environmental Commission, and the Agency of Natural Resources for any projects undertaken by or for the Agency and any cooperating municipalities for which all or a portion of the funds are authorized by a legislatively approved transportation construction, rehabilitation, or paving program within a general appropriation act introduced pursuant to section 701 of this title except for those fees established under 3 V.S.A. § 2822(j)(2)(A)(iii), (j)(10), (j)(11), and (j)(26).

(b) Notwithstanding any other provision of law, no fees shall be charged for reviews, inspections, or nonoperating permits issued by the Department of Public Safety, a District Environmental Commission, and the Agency of Natural Resources for:

(1) Any project undertaken by the Department of Buildings and General Services, the Agency of Natural Resources or the Agency of Transportation which is authorized or funded in whole or in part by the capital construction act introduced pursuant to section 701a of this title except for those fees established under 3 V.S.A. § 2822(j)(2)(A)(iii), (j)(10), (j)(11), and (j)(26).

(2) Any project undertaken by a municipality, which is funded in whole or in part by a grant or loan from the Agency of Natural Resources or the Agency of Transportation financed by an appropriation of a capital construction act introduced pursuant to section 701a of this title except for those fees established under 3 V.S.A. § 2822(j)(2)(A)(iii), (j)(7)(A) and (B), (j)(10), (j)(11), and (j)(26). However, all such fees shall be paid for reviews, inspections, or permits required by municipal solid waste facilities developed by a solid waste district which serves, or is expected to serve, in whole or in part, parties located outside its own district boundaries pursuant to 10 V.S.A. chapter 159.

Eleventh: By striking out Sec. 38 in its entirety and inserting in lieu thereof the following:

\* \* \*Repeal; Clean Water Surcharge\* \* \*

Sec. 38. REPEAL OF CLEAN WATER SURCHARGE

32 V.S.A. § 9602a (Clean Water Surcharge) shall be repealed on July 1, 2021.

**Rep. Feltus of Lyndon** for the committee on Appropriations recommended that the bill ought to pass when amended as recommended by the committees on Fish, Wildlife and Water Resources, Agriculture and Forest Products and Ways and Means.

The bill, having appeared on the Calendar one day for notice, was taken up and read the second time.

Thereupon, **Rep. Deen of Westminster** asked and was granted leave of the House to withdraw the report of the committee on Fish, Wildlife and Water Resources.

Thereupon, **Rep. Partridge of Windham** asked and was granted leave of the House to withdraw the report of the committee on Agriculture and Forest Products.

Thereupon, **Rep. Branagan of Georgia** asked and was granted leave of the House to withdraw the report of the committee on Ways and Means.

Thereupon, **Rep. Feltus of Lyndon** asked and was granted leave of the House to withdraw the report of the committee on Appropriations.



Thereupon, **Rep. Turner of Milton** moved to suspend the rules to allow for multiple committees to report on the report of the committee on Fish, Wildlife and Water Resources, which was agreed to.

Thereupon, **Rep. Deen of Westminster** for the committee on Fish, Wildlife and Water Resources recommended that the bill ought to pass when amended by striking all after the enacting clause and inserting in lieu thereof the following.

\* \* \* Purpose \* \* \*

Sec. 1. PURPOSE; IMPROVEMENT OF THE QUALITY OF STATE  
WATERS

It is the purpose of this act to:

- (1) improve the quality of the waters of Vermont;
- (2) authorize and prioritize proactive measures designed to implement and meet the impending Total Maximum Daily Load (TMDL) plan for Lake Champlain, meet impending TMDL plans for other State waters, and improve water quality across the State;
- (3) identify and prioritize cost-effective strategies for the State to address water quality issues; and
- (4) engage more municipalities, agricultural operations, businesses, and other interested parties as part of the State's efforts to improve the quality of the waters of the State.
- (5) provide mechanisms, staffing, and sustainable financing necessary for State waters to achieve and maintain compliance with the Vermont water quality standards.

\* \* \* Agricultural Water Quality; Findings;  
Definitions \* \* \*

Sec. 2. AGRICULTURAL WATER QUALITY FINDINGS

For the purposes of the agricultural water quality sections of this act set forth in Sections 2 through 23, the General Assembly finds and declares that:

- (1) The U.S. Environmental Protection Agency (EPA) has worked with the State of Vermont to improve the water quality in the Lake Champlain Basin and the waters of Vermont; however, insufficient progress has been made.
- (2) Vermont has recently received approximately \$60,000,000.00 from federal sources to be used over the next five years. These funds are dedicated to improving the water quality of the Lake Champlain Basin area.

(3) Although Accepted Agricultural Practices (AAPs) were adopted in 1995, there is a continued need for increased awareness in the small farms community about the AAPs, and the Agency of Agriculture, Food and Markets should enlist partners to educate small farm operators concerning these requirements.

(4) There are 27 Large Farm Operations (LFOs) and 139 Medium Farm Operations (MFOs) that have been identified to date. Accurate data do not exist to identify the number of Small Farm Operations (SFOs) in Vermont, but estimates indicate approximately 6,500 SFOs exist in the State.

(5) Vermont agriculture has been identified as contributing 40 percent of the phosphorus loading to Lake Champlain. Although 60 percent of phosphorus loading to Lake Champlain comes from other sources, agricultural enterprises account for the largest single source. The other sources of phosphorus loading to Lake Champlain are stream instability at 22 percent, forestlands at 15 percent, developed lands and paved roads at 14 percent, unpaved roads at six percent, and wastewater treatment facilities at three percent.

(6) If EPA fails to accept Vermont's water quality implementation plan, much of the responsibility and cost for meeting a new Total Maximum Daily Load (TDML) plan will likely fall on municipalities and their wastewater treatment plants, which contribute only three percent to the phosphorus load in Lake Champlain. More effective leverage points are agricultural runoff and other nonpoint sources, and these should be an integral part of Vermont's water quality plan. Addressing agriculture's contribution to the problem will subject Vermont's farmers to additional requirements under the AAPs and other agricultural water quality rules.

(7) The Vermont agricultural community recognizes that it has a role to play in continuing efforts to reduce nutrient loading and improve water quality in the State, but additional State and federal assistance is necessary to fulfill this role successfully, including technical and financial assistance to encourage small farms to adopt and implement nutrient management plans.

(8) Many drivers impact water quality in the State, including agriculture, stormwater management, river channel stability, forest management, watershed and wetland protection and restoration, shoreland management, and internal phosphorus loading. In an effort to understand more fully the interconnections between these drivers and their relative impacts on water quality in the State, a six-month systems mapping process could lead to the identification of key leverage points, which, if addressed, could lead to high impact change as required in Vermont's impending TMDL agreement with EPA.

(9) Numerous stakeholder organizations have been working for many years to improve water quality in Vermont's watersheds, each in their own way. Given the complexity of the challenge we face in improving water quality as well as the complexity of natural systems in general, the General Assembly recognizes that a collaborative approach will be critical to addressing these challenges.

Sec. 3. 6 V.S.A. § 4802 is amended to read:

§ 4802. ~~DEFINITION~~ DEFINITIONS

~~For purposes of As used in this chapter, the word "secretary," when used by itself, means the secretary of agriculture, food and markets;~~

(1) "Agency" means the Agency of Agriculture, Food and Markets.

(2) "Farming" shall have the same meaning as used in 10 V.S.A. § 6001(22).

(3) "Secretary" means the Secretary of Agriculture, Food and Markets.

(4) "Top of bank" means the point along the bank of a stream where an abrupt change in slope is evident, and where the stream is generally able to overflow the banks and enter the adjacent floodplain during an annual flood event. Annual flood event shall be determined according to the Agency of Natural Resources' Flood Hazard Area and River Corridor Protection Procedure.

(5) "Waste" or "agricultural waste" means material originating or emanating from a farm that is determined by the Secretary or the Secretary of Natural Resources to be harmful to the waters of the State, including: sediments; minerals, including heavy metals; plant nutrients; pesticides; organic wastes, including livestock waste, animal mortalities, compost, feed and crop debris; waste oils; pathogenic bacteria and viruses; thermal pollution; silage runoff; untreated milkhouse waste; and any other farm waste as the term "waste" is defined in 10 V.S.A. § 1251 (12).

(6) "Water" shall have the same meaning as used in 10 V.S.A. § 1251(13).

\* \* \* Agricultural Water Quality;  
Small Farm Certification and Inspection \* \* \*

Sec. 4. 6 V.S.A. subchapter 5A is added to read:

Subchapter 5A. Small Farm Certification

§ 4871. SMALL FARM CERTIFICATION

(a) Small farm definition. As used in this section, “small farm” means a parcel or parcels of land:

(1) on which 10 or more acres are used for farming;

(2) that house no more than the number of animals specified under section 4857 of this title; and

(3)(A) that house at least the number of mature animals that the Secretary of Agriculture, Food and Markets designates by rule under the Accepted Agricultural Practices; or

(B) are used for the preparation, tilling, fertilization, planting, protection, irrigation, and harvesting of crops for sale.

(b) Required small farm certification. A person who owns or operates a small farm shall, on a form provided by the Secretary, certify compliance with the accepted agricultural practices. The Secretary of Agriculture, Food and Markets shall establish the requirements and manner of certification of compliance with the accepted agricultural practices, provided that the Secretary shall require an owner or operator of a farm to submit a certification of compliance with the accepted agricultural practices at least once every five years.

(c) Certification due to water quality threat. The Secretary may require any person who owns or operates a farm to submit a small farm certification under this section if the person is not required to obtain a permit or submit a certification under this chapter and the Secretary determines that the farm poses a threat of discharge to a water of the State or presents a threat of contamination to groundwater.

(d) Rulemaking; small farm certification. The Secretary of Agriculture, Food and Markets shall adopt by rule requirements for a small farm certification of compliance with the accepted agricultural practices. The rules required by this subsection shall be adopted as part of the accepted agricultural practices under section 4810 of this title.

(e) Small farm inspection. The Secretary may inspect a small farm in the State at any time for the purposes of assessing compliance by the small farm with the accepted agricultural practices and determining consistency with a certification of compliance submitted by the person who owns or operates the small farm. The Secretary may prioritize inspections of small farms in the State based on identified water quality issues posed by a small farm.

(f) Notice of change of ownership or change of lease. A person who owns or leases a small farm shall notify the Secretary of a change of ownership or change of lessee of a small farm within 30 days of the change. The

notification shall include the certification of small farm compliance required under subsection (a) of this section.

(g)(1) Identification; ranking of water quality needs. During an inspection of a small farm under this section, the Secretary shall identify areas where the farm could benefit from capital, structural, or technical assistance in order to improve or come into compliance with the accepted agricultural practices and any applicable State water quality permit or certification required under this chapter.

(2) Notwithstanding the priority system established under section 4823 of this title, the Secretary annually shall establish a priority ranking system for small farms according to the water quality benefit associated with the capital, structural, or technical improvements identified as needed by the Secretary during an inspection of the farm.

(3) Notwithstanding the priority system established by subdivision (2) of this subsection, the Secretary may provide financial assistance to a small farm at any time, regardless of the priority ranking system, if the Secretary determines that the farm needs assistance to address a water quality issue that requires immediate abatement.

(h) Fees.

(1) A person required to submit a certification under this section shall submit to the Secretary the following annual operating fee:

(A) \$250.00 for farms that house fewer than 100 mature dairy animals; and

(B) \$500.00 for farms that house 100 to 199 mature dairy animals.

(2) The fees collected under this section shall be deposited in the Agricultural Water Quality Special Fund under section 4803 of this title.

Sec. 5. 6 V.S.A. § 4810a is added to read:

§ 4810a. ACCEPTABLE AGRICULTURAL PRACTICES; REVISION

(a) On or before July 1, 2016, the Secretary of Agriculture, Food, and Markets shall amend the accepted agricultural practices in order to improve water quality in the State, assure practices on all farms eliminate adverse impacts to water quality, and implement the small farm certification program required by section 4871 of this title. At a minimum, the amendments to the accepted agricultural practices shall:

(1) Specify the number and type of animals housed on a farm that are subject to the small farm certification requirements under section 4871 of this title. The Secretary shall establish the number and type of animals under this

subdivision based on the potential impact of the number and type of animals on the quality of the waters of the State.

(2) Specify those farms that:

(A) are required to comply with the small certification requirements under section 4871 of this title; and

(B) shall be subject to the accepted agricultural practices, but shall not be required to comply with small farm certification requirements under section 4871 of this title.

(3)(A) Prohibit a farm from stacking manure, storing fertilizer, or storing other nutrients on the farm:

(i) in a manner and location that presents a threat of discharge to a water of the State or presents a threat of contamination to groundwater; or

(ii) on lands in a floodway or otherwise subject to regular flooding.

(B) In no case shall manure stacking sites, fertilizer storage, or other nutrient storage be located within 100 feet of a private well or within 100 feet of a water of the State.

(4) Require the construction and management of barnyards, waste management systems, animal holding areas, and production areas in a manner to prevent runoff of waste to a surface water, to groundwater, or across property boundaries.

(5) Establish standards for nutrient management on farms, including required nutrient management planning on all farms that manage agricultural wastes.

(6) Require cropland on the farm to be cultivated in a manner that results in an average soil loss of less than or equal to the soil loss tolerance for the prevalent soil, known as 1T, as calculated through application of the Revised Universal Soil Loss Equation, or through the application of similarly accepted models.

(7) Require a farm to comply with standards established by the Secretary for maintaining a vegetative buffer zone of perennial vegetation between annual croplands and the top of the bank of an adjoining water of the State. At a minimum the vegetative buffer standards established by the Secretary shall prohibit the application of manure on the farm within 25 feet of the top of the bank of an adjoining water of the State or within 10 feet of a ditch.

(8) Prohibit the construction or siting of a farm structure for the storage of manure, fertilizer, or pesticide within a floodway area identified on a National Flood Insurance Program Map on file with a town clerk.

(9) Regulate, in a manner consistent with the Agency of Natural Resources' flood hazard area and river corridor rules, the construction or siting of a farm structure or the storage of manure, fertilizer, or pesticides storage within a river corridor designated by the Secretary of Natural Resources.

(10) Establish standards for the exclusion of livestock from the waters of the State to prevent erosion and adverse water quality impacts.

(b) On or before January 15, 2018, the Secretary of Agriculture, Food and Markets shall amend the accepted agricultural practices in order to include requirements for reducing nutrient contribution to waters of the State from subsurface tile drainage or other dewatering technology. Upon adoption of requirements for subsurface tile drainage or other dewatering technology, the Secretary may require an existing subsurface tile drain or other dewatering technology to comply with the requirements of the AAPs for subsurface tile drainage or other dewatering technology upon a determination that compliance is necessary to reduce adverse impacts to water quality from the subsurface tile drain or other dewatering technology.

Sec. 6. REPORT ON MANAGEMENT OF SUBSURFACE TILE DRAINAGE

(a) The Secretary of Agriculture, Food and Markets and the Secretary of Natural Resources, after consultation with the U.S. Department of Agriculture's Natural Resource Conservation Service, shall submit a joint report to the House Committee on Fish, Wildlife and Water Resources, the Senate Committee on Natural Resources and Energy, the House Committee on Agriculture and Forest Products, and the Senate Committee on Agriculture regarding the status of current, scientific research relating to the environmental management of subsurface agriculture tile drainage or other dewatering technology and how subsurface agriculture tile drainage or other dewatering technology contributes to nutrient loading of surface waters. The report shall include a recommendation from the Secretary of Agriculture, Food and Markets and the Secretary of Natural Resources regarding how best to manage subsurface agriculture tile drainage or other dewatering technology in the State in order to mitigate and prevent the contribution of tile drainage or similar dewatering technology to waters of the State.

(b) On or before January 15, 2016, the Secretary of Agriculture, Food and Markets and the Secretary of Natural Resources shall submit an interim report that summarizes the progress of the Secretaries in preparing the report required by this section. The Secretary of Agriculture, Food and Markets and the

Secretary of Natural Resources shall submit the final report required by this section on or before January 15, 2017.

Sec. 7. SMALL FARM ANNUAL OPERATING FEE

(a) In fiscal years 2016 and 2017, an owner or operator of a small farm authorized under 6 V.S.A. chapter 151 to sell milk to a milk handler shall pay to the Secretary of Agriculture, Food and Markets the following operating fee:

(A) \$250.00 for farms that house fewer than 100 mature dairy animals; and

(B) \$500.00 for farms that house 100 to 199 mature dairy animals.

(b) The fees collected under this section shall be deposited in the Agricultural Water Quality Special Fund under 6 V.S.A. § 4803.

(c)(1) The definitions of 6 V.S.A. § 2672 shall apply to this section.

(2) As used in this section:

(A) "Animal feeding operation" shall have the same meaning as in 6 V.S.A. § 4857.

(B) "Small farm" means an animal feeding operation that houses no more than 199 mature dairy animals.

\* \* \* Agricultural Water Quality; Permit Fees; Agency Staffing \* \* \*

Sec. 8. 6 V.S.A. § 4803 is added to read:

§ 4803. AGRICULTURAL WATER QUALITY SPECIAL FUND

(a) There is created an Agricultural Water Quality Special Fund to be administered by the Secretary of Agriculture, Food and Markets. Fees collected under this chapter, including fees for permits or certifications issued under the chapter, shall be deposited in the Fund.

(b) The Secretary may use monies deposited in the Fund for the Secretary's implementation and administration of agricultural water quality programs or requirements established by this chapter, including to pay salaries of Agency staff necessary to implement the programs and requirements of this chapter.

(c) Notwithstanding the requirements of 32 V.S.A. § 588(3), interest earned by the Fund shall be retained in the Fund from year to year.

Sec. 9. 6 V.S.A. § 4851 is amended to read:

§ 4851. PERMIT REQUIREMENTS FOR LARGE FARM OPERATIONS

(a) No person shall, without a permit from the ~~secretary~~ Secretary, construct a new barn, or expand an existing barn, designed to house more than



700 mature dairy animals, 1,000 cattle or cow/calf pairs, 1,000 veal calves, 2,500 swine weighing over 55 pounds, 10,000 swine weighing less than 55 pounds, 500 horses, 10,000 sheep or lambs, 55,000 turkeys, 30,000 laying hens or broilers with a liquid manure handling system, 82,000 laying hens without a liquid manure handling system, 125,000 chickens other than laying hens without a liquid manure handling system, 5,000 ducks with a liquid manure handling system, or 30,000 ducks without a liquid manure handling system. No permit shall be required to replace an existing barn in use for livestock or domestic fowl production at its existing capacity. The ~~secretary of agriculture, food and markets~~ Secretary of Agriculture, Food and Markets, in consultation with the ~~secretary of natural resources~~ Secretary of Natural Resources, shall review any application for a permit under this section with regard to water quality impacts and, prior to approval of a permit under this subsection, shall issue a written determination regarding whether the applicant has established that there will be no unpermitted discharge to waters of the ~~state~~ State pursuant to the federal regulations for concentrated animal feeding operations. If upon review of an application for a permit under this subsection, the ~~secretary of agriculture, food and markets~~ Secretary of Agriculture, Food and Markets determines that the permit applicant may be discharging to waters of the ~~state~~ State, the ~~secretary of agriculture, food and markets~~ Secretary of Agriculture, Food and Markets and the ~~secretary of natural resources~~ Secretary of Natural Resources shall respond to the discharge in accordance with the memorandum of understanding regarding concentrated animal feeding operations under ~~subsection 4810(b)~~ section 4810 of this title. The ~~secretary of natural resources~~ Secretary of Natural Resources may require a large farm to obtain a permit under 10 V.S.A. § 1263 pursuant to federal regulations for concentrated animal feeding operations.

\* \* \*

(h) A person required to obtain a permit under this section shall submit an annual operating fee of \$2,500.00 to the Secretary. The fees collected under this section shall be deposited in the Agricultural Water Quality Special Fund under section 4803 of this title.

Sec. 10. 6 V.S.A. § 4858 is amended to read:

§ 4858. ~~ANIMAL WASTE PERMITS~~ MEDIUM FARM OPERATION

PERMITS

(a) No person shall operate a medium farm without authorization from the ~~secretary~~ Secretary pursuant to this section. Under exceptional conditions, specified in subsection ~~(e)~~(d) of this section, authorization from the ~~secretary~~ Secretary may be required to operate a small farm.

(b) Rules; general and individual permits. The ~~secretary~~ Secretary shall establish by rule, pursuant to 3 V.S.A. chapter 25 of Title 3, requirements for a “general permit” and “individual permit” to ~~ensure~~ assure that medium and small farms generating animal waste comply with the water quality standards of the ~~state~~ State.

\* \* \*

(2) The rules adopted under this section shall also address permit administration, public notice and hearing, permit enforcement, permit transition, revocation, and appeals consistent with provisions of sections 4859, ~~4860~~, and 4861 of this title and subchapter 10 of this chapter.

\* \* \*

(c)(1) Medium farm general permit. The owner or operator of a medium farm seeking coverage under a general permit adopted pursuant to this section shall certify to the ~~secretary~~ Secretary within a period specified in the permit, and in a manner specified by the ~~secretary~~ Secretary, that the medium farm does comply with permit requirements regarding an adequately sized and designed manure management system to accommodate the wastes generated and a nutrient management plan to dispose of wastes in accordance with accepted agricultural practices adopted under this chapter. Any certification or notice of intent to comply submitted under this subdivision shall be kept on file at the ~~agency of agriculture, food and markets~~ Agency of Agriculture, Food and Markets. The ~~secretary of agriculture, food and markets~~ Secretary of Agriculture, Food and Markets, in consultation with the ~~secretary of natural resources~~ Secretary of Natural Resources, shall review any certification or notice of intent to comply submitted under this subdivision with regard to the water quality impacts of the medium farm for which the owner or operator is seeking coverage, and, within 18 months of receiving the certification or notice of intent to comply, shall verify whether the owner or operator of the medium farm has established that there will be no unpermitted discharge to waters of the ~~state~~ State pursuant to the federal regulations for concentrated animal feeding operations. If upon review of a medium farm granted coverage under the general permit adopted pursuant to this subsection, the ~~secretary of agriculture, food and markets~~ Secretary of Agriculture, Food and Markets determines that the permit applicant may be discharging to waters of the ~~state~~ State, the ~~secretary of agriculture, food and markets~~ Secretary of Agriculture, Food and Markets and the ~~secretary of natural resources~~ Secretary of Natural Resources shall respond to the discharge in accordance with the memorandum of understanding regarding concentrated animal feeding operations under ~~subsection 4810(b)~~ section 4810 of this title.

\* \* \*

(e) A person required to obtain a permit or coverage under this section shall submit an annual operating fee of \$1,500.00 to the Secretary. The fees collected under this section shall be deposited in the Agricultural Water Quality Special Fund under section 4803 of this title.

Sec. 11. 6 V.S.A. § 324 is amended to read:

§ 324. REGISTRATION AND FEES

(a) No person shall manufacture a commercial feed in this State unless that person has first filed with the Vermont Agency of Agriculture, Food and Markets, in a form and manner to be prescribed by rules by the Secretary:

- (1) the name of the manufacturer;
- (2) the manufacturer's place of business;
- (3) the location of each manufacturing facility; and
- (4) any other information which the Secretary considers to be necessary.

(b) A person shall not distribute in this State a commercial feed that has not been registered pursuant to the provisions of this chapter. Application shall be in a form and manner to be prescribed by rule of the Secretary. The application for registration of a commercial feed shall be accompanied by a registration fee of ~~\$85.00~~ \$100.00 per product. ~~The~~ Of the registration fees collected, ~~\$85.00 of each collected fee,~~ along with any surcharges collected under subsection (c) of this section, shall be deposited in the special fund created by subsection 364(e) of this title. Funds deposited in this account shall be restricted to implementing and administering the provisions of this title and any other provisions of the law relating to fertilizer, lime, or seeds. Of the registration fees collected, \$15.00 of each collected fee shall be deposited in the Agricultural Water Quality Special Fund created under section 4803 of this title. If the Secretary so requests, the application for registration shall be accompanied by a label or other printed matter describing the product.

(c) No person shall distribute in this State any feed required to be registered under this chapter upon which the Secretary has placed a withdrawal from distribution order because of nonregistration. A surcharge of \$10.00, in addition to the registration fee required by subsection (b) of this section, shall accompany the application for registration of each product upon which a withdrawal from distribution order has been placed for reason of nonregistration, and must be received before removal of the withdrawal from distribution order.

Sec. 12. 6 V.S.A. § 328 is amended to read:

§ 328. TONNAGE REPORTING

(a) Every person who registers a commercial feed pursuant to the provisions of this chapter shall report to the ~~agency of agriculture, food and markets~~ Agency of Agriculture, Food and Markets annually the total amount of combined feed which is distributed within the state and which is intended for use within the ~~state~~ State. The report shall be made on forms and in a manner to be prescribed ~~by rules~~ by the ~~secretary~~ Secretary for calendar years ~~1986~~ 2016 and ~~1987~~ 2017.

(b) This reporting requirement shall not apply to pet foods, within the meaning of subdivisions 323(16) and (19) of this title, and shall not apply to feeds intended for use outside of the state.

Sec. 13. 6 V.S.A. § 366 is amended to read:

§ 366. TONNAGE FEES

(a) There shall be paid annually to the ~~secretary~~ Secretary for all fertilizers distributed to a nonregistrant consumer in this ~~state~~ State an annual ~~inspection~~ fee at a rate of \$0.25 cents per ton.

(b) Persons distributing fertilizer shall report annually by January 15 for the previous year ending December 31 to the ~~secretary~~ Secretary revealing the amounts of each grade of fertilizer and the form in which the fertilizer was distributed within this ~~state~~ State. Each report shall be accompanied with payment and written permission allowing the ~~secretary~~ Secretary to examine the person's books for the purpose of verifying tonnage reports.

(c) No information concerning tonnage sales furnished to the ~~secretary~~ Secretary under this section shall be disclosed in such a way as to divulge the details of the business operation to any person unless it is necessary for the enforcement of the provisions of this chapter.

(d) ~~A \$50.00 minimum tonnage fee shall be assessed on all distributors who distribute fertilizers in this state. [Repealed.]~~

(e) Agricultural limes, including agricultural lime mixed with wood ash, are exempt from the tonnage fees required in this section.

(f) Lime and wood ash mixtures may be registered as agricultural liming materials and guaranteed for potassium or potash provided that the wood ash totals less than 50 percent of the mixture.

(g) All fees collected under subsection (a) of this section shall be deposited in the revolving fund created by section 364(e) of this title and used in accordance with its provisions.

(h) There shall be paid annually to the Secretary for all fertilizers distributed to a nonregistrant consumer in this State an annual fee at a rate of

\$30.00 per ton on nonagricultural fertilizer for the purpose of supporting agricultural water quality programs in Vermont.

(1) Persons distributing fertilizer shall report annually on or before January 15 for the previous year ending December 31 to the Secretary revealing the amounts of each grade of fertilizer and the form in which the fertilizer was distributed within this State. Each report shall be accompanied with payment of the fees under this section and written permission allowing the Secretary to examine the person's books for the purpose of verifying tonnage reports.

(2) No information concerning tonnage sales furnished to the Secretary under this section shall be disclosed in such a way as to divulge the details of the business operation to any person unless it is necessary for the enforcement of the provisions of this chapter.

(3) A \$150.00 minimum tonnage fee shall be assessed on all distributors who distribute nonagricultural fertilizers in this State.

(4) Agricultural limes, including agricultural lime mixed with wood ash, are exempt from the tonnage fees required under this subsection.

(5) All fees collected under this subsection shall be deposited in the Agricultural Water Quality Special Fund created under section 4803 of this title.

Sec. 14. 6 V.S.A. § 918 is amended to read:

§ 918. REGISTRATION

(a) Every economic poison which is distributed, sold, or offered for sale within this State or delivered for transportation or transported in intrastate commerce or between points within this State through any point outside this State shall be registered in the Office of the Secretary, and such registration shall be renewed annually; provided, that products which have the same formula, are manufactured by the same person, the labeling of which contains the same claims, and the labels of which bear a designation identifying the product as the same economic poison may be registered as a single economic poison; and additional names and labels shall be added by supplement statements during the current period of registration. It is further provided that any economic poison imported into this State, which is subject to the provisions of any federal act providing for the registration of economic poisons and which has been duly registered under the provisions of this chapter, may, in the discretion of the Secretary, be exempted from registration under this chapter, when sold or distributed in the unbroken immediate container in which it was originally shipped. The registrant shall file with the Secretary a statement including:

(1) The name and address of the registrant and the name and address of the person whose name will appear on the label, if other than the registrant.

(2) The name of the economic poison.

(3) A complete copy of the labeling accompanying the economic poison and a statement of all claims to be made for it, including directions for use.

(4) If requested by the Secretary, a full description of the tests made and the results thereof upon which the claims are based. In the case of renewal of registration, a statement shall be required only with respect to information which is different from that furnished when the economic poison was registered or last re-registered.

(b) The registrant shall pay an annual fee of ~~\$110.00~~ \$125.00 for each product registered, and \$110.00 of that amount shall be deposited in the special fund created in section 929 of this title, of which \$5.00 from each product registration shall be used for an educational program related to the proper purchase, application, and disposal of household pesticides, and \$5.00 from each product registration shall be used to collect and dispose of obsolete and unwanted pesticides. Of the registration fees collected under this subsection, \$15.00 of the amount collected shall be deposited in the Agricultural Water Quality Special Fund created under section 4803 of this title. The annual registration year shall be from December 1 to November 30 of the following year.

\* \* \*

Sec. 15. APPROPRIATIONS FOR AGENCY OF AGRICULTURE, FOOD  
AND MARKETS STAFF

In addition to any other funds appropriated to the Agency of Agriculture, Food and Markets in fiscal year 2016, there is appropriated from the Agricultural Water Quality Special Fund created under 6 V.S.A. § 4803 to the Agency \$1,056,000.00 in fiscal year 2016 for the purpose of hiring 7 positions for implementation and administration of agricultural water quality programs in the State.

\* \* \* Agricultural Water Quality; Best Management Practices \* \* \*

Sec. 16. 6 V.S.A. § 4810 is amended to read:

§ 4810. AUTHORITY; COOPERATION; COORDINATION

(a) Agricultural land use practices. In accordance with 10 V.S.A. § 1259(i), the ~~secretary~~ Secretary shall adopt by rule, pursuant to 3 V.S.A. chapter 25 of ~~Title 3~~, and shall implement and enforce agricultural land use practices in order to ~~reduce the amount of agricultural pollutants entering the~~

~~waters of the state~~ satisfy the requirements of 33 U.S.C. § 1329 that the State identify and manage nonpoint sources of agricultural waste to waters of the State. These agricultural land use practices shall be created in two categories, pursuant to ~~subdivisions (1) and (2) of this subsection~~ subsections (b) and (c) of this section.

~~(1)(b)~~ Accepted Agricultural Practices. “Accepted Agricultural Practices” (AAPs) shall be management standards to be followed in conducting agricultural activities by all persons engaged in farming in this state State. These standards shall address activities which have a potential for causing pollutants to enter the groundwater and waters of the ~~state~~ State, including dairy and other livestock operations plus all forms of crop and nursery operations and on-farm or agricultural ~~fairground~~ fairgrounds, registered pursuant to 20 V.S.A. § 3902, livestock and poultry slaughter and processing activities. The AAPs shall include, as well as promote and encourage, practices for farmers in preventing pollutants from entering the groundwater and waters of the ~~state~~ State when engaged in, ~~but not limited to,~~ animal waste management and disposal, soil amendment applications, plant fertilization, and pest and weed control. Persons engaged in farming, ~~as defined in 10 V.S.A. § 6001,~~ who ~~follow~~ are in compliance with these practices shall be presumed to be in compliance with water quality standards. AAPs shall be practical and ~~cost-effective~~ cost-effective to implement, as determined by the Secretary. Where the Secretary determines, after inspection of a farm, that a person engaged in farming is complying with the AAPs but is not complying with the requirements of the State water quality standards, the Secretary shall require the person to implement additional, site-specific on farm conservation practices designed to meet the State water quality standards. When requiring implementation of a conservation practice under this subsection, the Secretary shall inform the person engaged in farming of the resources available to assist the person in implementing the conservation practice and complying with the requirements of this chapter. The AAPs for groundwater shall include a process under which the ~~agency~~ Agency shall receive, investigate, and respond to a complaint that a farm has contaminated the drinking water or groundwater of a property owner.

~~(2)(c)~~ Best Management Practices. ~~“Best Management Practices” (BMPs) may be required by the secretary on a case by case basis. Before requiring BMPs, the secretary shall determine that sufficient financial assistance is available to assist farmers in achieving compliance with applicable BMPs.~~ “Best management practices” (BMPs) are site-specific on-farm conservation practices implemented in order to address water quality problems and in order to achieve compliance with the requirements of this chapter or State water quality standards. The Secretary may require any person

engaged in farming to implement a BMP. When requiring implementation of a BMP, the Secretary shall inform a person engaged in farming of the resources available to assist the person in implementing BMPs and complying with the requirements of this chapter. BMPs shall be practical and ~~cost-effective~~ cost-effective to implement, as determined by the Secretary, and shall be designed to achieve compliance with the requirements of this chapter.

~~(b)(d)~~ Cooperation and coordination. ~~The secretary of agriculture, food and markets~~ Secretary of Agriculture, Food and Markets shall coordinate with the ~~secretary of natural resources~~ Secretary of Natural Resources in implementing and enforcing programs, plans, and practices developed for reducing and eliminating agricultural non-point source pollutants and discharges from concentrated animal feeding operations. ~~The secretary of agriculture, food and markets~~ Secretary of Agriculture, Food and Markets and the ~~secretary of natural resources~~ Secretary of Natural Resources shall develop a memorandum of understanding for the non-point program describing program administration, grant negotiation, grant sharing, and how they will coordinate watershed planning activities to comply with Public Law 92-500. ~~The secretary of agriculture, food and markets~~ Secretary of Agriculture, Food and Markets and the ~~secretary of the agency of natural resources~~ Secretary of Natural Resources shall also develop a memorandum of understanding according to the public notice and comment process of 10 V.S.A. § 1259(i) regarding the implementation of the federal concentrated animal feeding operation program and the relationship between the requirements of the federal program and the ~~state~~ State agricultural water quality requirements for large, medium, and small farms under ~~this~~ chapter ~~215 of this title~~. The memorandum of understanding shall describe program administration, permit issuance, an appellate process, and enforcement authority and implementation. The memorandum of understanding shall be consistent with the federal National Pollutant Discharge Elimination System permit regulations for discharges from concentrated animal feeding operations. The allocation of duties under this chapter between the ~~secretary of agriculture, food and markets~~ Secretary of Agriculture, Food and Markets and the ~~secretary of natural resources~~ Secretary of Natural Resources shall be consistent with the ~~secretary's~~ Secretaries' duties, established under the provisions of 10 V.S.A. § 1258(b), to comply with Public Law 92-500. ~~The secretary of natural resources~~ Secretary of Natural Resources shall be the ~~state~~ State lead person in applying for federal funds under Public Law 92-500, but shall consult with the ~~secretary of agriculture, food and markets~~ Secretary of Agriculture, Food and Markets during the process. The agricultural non-point source program may compete with other programs for competitive watershed projects funded from federal funds. ~~The secretary of agriculture, food and markets~~ Secretary of Agriculture, Food and Markets shall be represented in reviewing these projects



for funding. Actions by the ~~secretary of agriculture, food and markets~~ Secretary of Agriculture, Food and Markets under this chapter concerning agricultural non-point source pollution shall be consistent with the water quality standards and water pollution control requirements of 10 V.S.A. chapter 47 of Title 10 and the federal Clean Water Act as amended. In addition, the ~~secretary of agriculture, food and markets~~ Secretary of Agriculture, Food and Markets shall coordinate with the ~~secretary of natural resources~~ Secretary of Natural Resources in implementing and enforcing programs, plans, and practices developed for the proper management of composting facilities when those facilities are located on a farm.

Sec. 17. 6 V.S.A. § 4813 is amended to read:

§ 4813. BASIN MANAGEMENT; APPEALS TO THE WATER RESOURCES BOARD ENVIRONMENTAL DIVISION

(a) The ~~secretary of agriculture, food and markets~~ Secretary of Agriculture, Food and Markets shall cooperate with the ~~secretary of natural resources~~ Secretary of Natural Resources in the basin planning process with regard to the agricultural non-point source waste component of each basin plan. Any person with an interest in the agricultural non-point source component of the basin planning process may petition the ~~secretary of agriculture, food and markets~~ Secretary of Agriculture, Food and Markets to require, and the ~~secretary~~ Secretary may require, best management practices in the individual basin beyond accepted agricultural practices adopted by rule, in order to achieve compliance with the water quality goals in 10 V.S.A. § 1250 and any duly adopted basin plan. The ~~secretary of agriculture, food and markets~~ Secretary of Agriculture, Food and Markets shall hold a public hearing within 60 days and shall issue a timely written decision that sets forth the facts and reasons supporting the decision.

(b) Any person engaged in farming that has been required by the ~~secretary of agriculture, food and markets~~ Secretary of Agriculture, Food and Markets to implement best management practices or any person who has petitioned the ~~secretary of agriculture, food and markets~~ Secretary of Agriculture, Food and Markets under subsection (a) of this section may appeal the ~~secretary of agriculture, food and market's~~ Secretary of Agriculture, Food and Markets' decision to the ~~environmental division~~ Environmental Division de novo.

(c) ~~Before requiring best management practices under this section, the secretary of agriculture, food and markets or the board shall determine that sufficient financial assistance is available to assist farmers in achieving compliance with applicable best management practices~~ When requiring implementation of a best management practice, the Secretary shall inform a

farmer of the resources available to assist the farmer in implementing the best management practice and complying with the requirements of this chapter.

\* \* \* Agricultural Water Quality; Training \* \* \*

Sec. 18. 6 V.S.A. chapter 215, subchapter 8 is added to read:

Subchapter 8. Agricultural Water Quality Training

§ 4981. AGRICULTURAL WATER QUALITY TRAINING

(a) The Secretary of Agriculture, Food and Markets shall adopt by procedure requirements for training classes or programs for owners or operators of small farms, medium farms, or large farms certified or permitted under this chapter regarding:

(1) the prevention of discharges, as that term is defined in 10 V.S.A. § 1251(3); and

(2) the mitigation and management of stormwater runoff, as that term is defined in 10 V.S.A. § 1264, from farms.

(b) Any training required by procedure under this section shall address:

(1) the existing statutory and regulatory requirements for operation of a large, medium, or small farm in the State;

(2) the management practices and technical and financial resources available to assist in compliance with statutory or regulatory agricultural requirements; and

(3) the land application of manure, nutrients, septage, or sludge; methods or techniques to minimize the runoff of land-applied manure, nutrients, septage, or sludge to waters of the State; and identification of weather or soil conditions that increase the risk of runoff of land-applied manure, nutrients, septage, or sludge to waters of the State.

(c) The Secretary shall include the training required by this section as a condition of a large farm permit, medium farm permit, or small farm certification required under this chapter. The Secretary may phase in training requirements under this section based on farm size, permit or certification category, or available staffing. On or before January 1, 2016 the Secretary shall establish a schedule by which all owners or operators of small farms, medium farms, or large farms shall complete the training required by this section.

\* \* \* Agricultural Water Quality;

Certification of Custom Applicators \* \* \*

Sec. 19. 6 V.S.A. chapter 215, subchapter 9 is added to read:

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Subchapter 9. Certification of Custom Applicators of Manure, Nutrients, Septage, or Sludge

§ 4987. DEFINITIONS

As used in this subchapter:

(1) “Custom applicator” means the owner of a company engaged in the business of applying manure, nutrients, septage, or sludge to land and who charges or collects other consideration for the service. “Custom applicator” shall include employees of a custom applicator, when the employees apply manure, nutrients, septage, or sludge to land.

(2) “Manure” means livestock waste that may also contain bedding, spilled feed, water, or soil.

(3) “Septage” means the liquid and solid materials pumped from a septic tank or cesspool during cleaning.

(4) “Sludge” means any solid, semisolid, or liquid generated from a municipal, commercial, or industrial wastewater treatment plant or process, water supply treatment plant, air pollution control facility, or any other such waste having similar characteristics and effects.

§ 4988. CERTIFICATION OF CUSTOM APPLICATOR

(a) The Secretary of Agriculture, Food and Markets shall adopt by rule a process by which a custom applicator shall be certified to operate within the State. The certification process shall require a custom applicator to complete eight hours of training over each five-year period regarding:

(1) application methods or techniques to minimize the runoff of land-applied manure, nutrients, septage, or sludge to waters of the State; and

(2) identification of weather or soil conditions that increase the risk of runoff of land-applied manure, nutrients, septage, or sludge to waters of the State.

(b) A custom applicator shall not apply manure, nutrients, septage, or sludge unless certified by the Secretary of Agriculture, Food and Markets.

(c) The requirements of this section shall not apply to an owner or operator of a farm applying manure, nutrients, septage, or sludge to a field that he or she owns or controls, provided that the owner or operator has completed the agricultural water quality training required under section 4981 of this title.

\* \* \* Agricultural Water Quality; Enforcement; Corrective Actions \* \* \*

Sec. 20. 6 V.S.A. chapter 215, subchapter 10 is added to read:

Subchapter 10. Enforcement

§ 4991. PURPOSE

The purpose of this subchapter is to provide the Secretary of Agriculture, Food and Markets with the necessary authority to enforce the agricultural water quality requirements of this chapter. When the Secretary of Agriculture, Food and Markets determines that a person subject to the requirements of the chapter is violating a requirement of this chapter, the Secretary shall respond to and require discontinuance of the violation. The Secretary may respond to a violation of the requirements of this chapter by:

(1) consulting with a farmer or pursuing other nonregulatory action within the authority of the Secretary to assure discontinuance of the violation and remediation of any harm caused by the violation;

(2) issuing a corrective action order under section 4992 of this title;

(3) issuing a cease and desist order under section 4993 of this title;

(4) issuing an emergency order under section 4993 of this title;

(5) revoking or conditioning coverage under a permit or certification under section 4994 of this title;

(6) bringing a civil enforcement action under section 4995 of this title; or

(7) referring the violation to the Secretary of Natural Resources for enforcement under 10 V.S.A. chapter 201.

§ 4992. WARNINGS OF VIOLATIONS; CORRECTIVE ACTIONS;ADMINISTRATIVE ENFORCEMENT

(a) When the Secretary of Agriculture, Food and Markets determines that a person is violating the requirements of this chapter, rules adopted under this chapter, or a permit or certification issued under this chapter, the Secretary may issue a written warning that shall be served in person or by certified mail, return receipt requested. A warning issued under this subsection shall include:

(1) a description of the alleged violation;

(2) identification of this section;

(3) identification of the applicable statute, rule, or permit condition violated;

(4) the required corrective actions that the person shall take to correct the violation; and

(5) a summary of federal and State assistance programs that may be utilized by the person to assist in correcting the violation.

(b) A person issued a warning under this section shall have 30 days to respond to the written warning and shall provide an abatement schedule for curing the violation and a description of the corrective action to be taken to cure the violation.

(c) If a person who receives a warning under this subsection fails to respond in a timely manner to the written warning or to take corrective action, the Secretary may act pursuant to section 4993 or section 4995 of this section in order to protect water quality.

(d) A person who receives a warning under this subsection may, within five days of receipt of the warning, request that the Secretary hold a hearing on the corrective action required under this section. Upon receipt of a request for a hearing, the Secretary promptly shall set a date and time for a hearing.

§ 4993. ADMINISTRATIVE ENFORCEMENT; CEASE AND DESIST ORDERS; EMERGENCY ORDERS

(a) Notwithstanding the requirements of section 4992 of this title, the Secretary at any time may pursue one or more of the following enforcement actions:

(1) Issue a cease and desist order in accordance with the requirements of subsection (b) of this section to a person the Secretary believes to be in violation of the requirements of this chapter.

(2) Issue emergency administrative orders to protect water quality when an alleged violation, activity, or farm practice:

(A) presents or is likely to result in an immediate threat of substantial harm to the environment or immediate threat to the public health or welfare; or

(B) requires a permit or amendment to a permit issued under this chapter and a farm owner or operator has commenced an activity or is continuing an activity without a permit or permit amendment.

(3) Institute appropriate proceedings to enforce the requirements of this chapter, rules adopted under this chapter, or a permit or certification issued under this chapter.

(4) Order mandatory corrective actions, including a requirement that the owner or operator of a farm sell or otherwise remove livestock from a farm or production area when the volume of waste produced by livestock on the farm exceeds the infrastructure capacity of the farm or the production area to manage the waste or waste leachate and prevent runoff or leaching of wastes to waters of the State or groundwater, as required by this chapter. When the Secretary issues a corrective action order under this subdivision, the Secretary shall inform the owner or operator of the farm of the opportunity to request a

hearing under subsection (b) of this section within five days of receipt of the corrective action order.

(5) Seek administrative or civil penalties in accordance with the requirements of section 15, 16, 17, or 4995 of this title. Notwithstanding the requirements of section 15 of this title to the contrary, the maximum administrative penalty issued by the Secretary under this section shall not exceed \$5,000.00 for each violation, and the maximum amount of any administrative penalty assessed for separate and distinct violations of this chapter shall not exceed \$50,000.00.

(b) A person may request that the Secretary hold a hearing on a cease and desist order or an emergency order issued under this section within five days of receipt of the order. Upon receipt of a request for a hearing, the Secretary promptly shall set a date and time for a hearing. A request for a hearing on a cease and desist order or emergency order issued under this section shall not stay the order.

#### § 4994. PERMIT OR CERTIFICATION; REVOCATION; ENFORCEMENT

The Secretary may, after due notice and hearing, revoke or condition coverage under a general permit, an individual permit, a small farm certification, or other permit or certification issued under this chapter or rules adopted under this chapter when the person subject to the permit or certification fails to comply with a requirement of this chapter or any term, provision, or requirements of a permit or certification required by this chapter. The Secretary may also seek enforcement remedies and penalties under this subchapter against any person who fails to comply with any term, provision, or requirements of a permit or certification required by this chapter or who violates the terms or conditions of coverage under any general permit, any individual permit, or any certification issued under this chapter.

#### § 4995. CIVIL ENFORCEMENT

(a) The Secretary may bring an action in the Civil Division of the Superior Court to enforce the requirements of this chapter, or rules adopted under this chapter, or any permit or certification issued under this chapter, to assure compliance, and to obtain penalties in the amounts described in subsection (b) of this section. The action shall be brought by the Attorney General in the name of the State.

(b) The court may grant temporary and permanent injunctive relief, and may:

(1) Enjoin future activities.

(2) Order corrective actions to be taken to mitigate or curtail any violation and to protect human health or the environment, including a requirement that the owner or operator of a farm sell or otherwise remove livestock from a farm or production area when the volume of waste produced by livestock on the farm exceeds the infrastructure capacity of the farm or the production area to manage the waste or waste leachate and prevent runoff or leaching of wastes to waters of the State or groundwater, as required by this chapter.

(3) Order the design, construction, installation, operation, or maintenance of facilities designed to mitigate or prevent a violation of this chapter or to protect human health or the environment or designed to assure compliance.

(4) Fix and order compensation for any public or private property destroyed or damaged.

(5) Revoke coverage under any permit or certification issued under this chapter.

(6) Order reimbursement from any person who caused governmental expenditures for the investigation, abatement, mitigation, or removal of a hazard to human health or the environment.

(7) Levy a civil penalty as provided in this subdivision. A civil penalty of not more than \$85,000.00 may be imposed for each violation. In addition, in the case of a continuing violation, a penalty of not more than \$42,500.00 may be imposed for each day the violation continues. In fixing the amount of the penalty, the court shall apply the criteria set forth in subsections (e) and (f) of this section. The cost of collection of penalties or other monetary awards shall be assessed against and added to a penalty assessed against a respondent.

(c)(1) In any civil action brought under this section in which a temporary restraining order or preliminary injunction is sought, relief shall be obtained upon a showing that there is the probability of success on the merits and that:

(A) a violation exists; or

(B) a violation is imminent and substantial harm is likely to result.

(2) When the Attorney General brings a civil action under this section seeking a temporary restraining order or preliminary injunction, the Secretary need not demonstrate immediate and irreparable injury, loss, or damage.

(d) Any balancing of the equities in actions under this section may affect the time by which compliance shall be attained, but not the necessity of compliance within a reasonable period of time.

(e) In determining the amount of the penalty provided in subsection (b) of this section, the court shall consider the following:

(1) the degree of actual or potential impact on public health, safety, welfare, and the environment resulting from the violation;

(2) the presence of mitigating circumstances, including unreasonable delay by the Secretary in seeking enforcement after discovery of the violation;

(3) whether the respondent knew or had reason to know the violation existed;

(4) the respondent's record of compliance;

(5) the deterrent effect of the penalty;

(6) the State's actual costs of enforcement; and

(7) the length of time the violation has existed.

(f) In addition to any penalty assessed under subsection (b) of this section, the Secretary may also recapture economic benefit resulting from a violation.

#### § 4996. APPEALS; ENFORCEMENT

(a) Any person subject, under this subchapter, to an administrative enforcement order, an administrative penalty, or revocation of a permit or certification who is aggrieved by a final decision of the Secretary may appeal to the Civil Division of the Superior Court within 30 days of the decision. The Chief Superior judge may specially assign an environmental judge to the Civil Division of the Superior Court for the purpose of hearing an appeal.

(b) If the Secretary issues an emergency order under this chapter, the Secretary shall inform the person subject to the order of the ability to request a hearing before the Civil Division of the Superior Court and the date by which a request for a hearing must be made. Notice of the request for hearing under this subsection shall be filed with the Civil Division of the Superior Court and the Secretary within five days of receipt of the order. A hearing on the emergency order shall be held at the earliest possible time and shall take precedence over all other hearings. The hearing shall be held within five days of receipt of the notice of the request for hearing. A request for hearing on an emergency order shall not stay the order. The Civil Division of the Superior Court shall issue a decision within five days from the conclusion of the hearing, and not later than 30 days from the date the notice of request for hearing was received by the Court.

(c) The Civil Division of the Superior Court shall review appeals under this section on the record pursuant to Rule 74 of the Vermont Rules of Civil Procedure.



Sec. 21. 6 V.S.A. § 4812 is amended to read:

§ 4812. ~~CORRECTIVE ACTIONS~~

~~(a) When the Secretary of Agriculture, Food and Markets determines that a person engaged in farming is managing a farm using practices which are inconsistent with the requirements of this chapter or rules adopted under this subchapter, the Secretary may issue a written warning which shall be served in person or by certified mail, return receipt requested. The warning shall include a brief description of the alleged violation, identification of this statute and applicable rules, a recommendation for corrective actions that may be taken by the person, along with a summary of federal and State assistance programs which may be utilized by the person to remedy the violation. The person shall have 30 days to respond to the written warning and shall provide an abatement schedule for curing the violation and a description of the corrective action to be taken to cure the violation. If the person fails to respond to the written warning within this period or to take corrective action to change the practices, the Secretary may act pursuant to subsection (b) of this section in order to protect water quality.~~

~~(b) The Secretary may:~~

~~(1) issue cease and desist orders and administrative penalties in accordance with the requirements of sections 15, 16, and 17 of this title; and~~

~~(2) institute appropriate proceedings on behalf of the Agency to enforce this subchapter.~~

~~(c) Whenever the Secretary believes that any person engaged in farming is in violation of this subchapter or rules adopted thereunder, an action may be brought in the name of the Agency in a court of competent jurisdiction to restrain by temporary or permanent injunction the continuation or repetition of the violation. The court may issue temporary or permanent injunctions, and other relief as may be necessary and appropriate to curtail any violations.~~

~~(d) [Repealed.]~~

~~(e) Any person subject to an enforcement order or an administrative penalty who is aggrieved by the final decision of the Secretary may appeal to the Superior Court within 30 days of the decision. The administrative judge may specially assign an Environmental judge to Superior Court for the purpose of hearing an appeal. [Repealed.]~~

Sec. 22. 6 V.S.A. § 4854 is amended to read:

§ 4854. ~~REVOCATION; ENFORCEMENT~~

~~The secretary may revoke a permit issued under this subchapter after following the same process prescribed by section 2705 of this title regarding the revocation of a handler's license. The secretary may also seek enforcement remedies under sections 1, 12, 13, 16, and 17 of this title as well as assess an administrative penalty under section 15 of this title to any person who fails to apply for a permit as required by this subchapter, or who violates the terms or conditions of a permit issued under this subchapter. However, notwithstanding the provisions of section 15 of this title to the contrary, the maximum administrative penalty assessed for a violation of this subchapter shall not exceed \$5,000.00 for each violation, and the maximum amount of any penalty assessed for separate and distinct violations of this chapter shall not exceed \$50,000.00. [Repealed.]~~

Sec. 23. 6 V.S.A. § 4860 is amended to read:

§ 4860. REVOCATION; ENFORCEMENT

~~(a) The secretary may revoke coverage under a general permit or an individual permit issued under this subchapter after following the same process prescribed by section 2705 of this title regarding the revocation of a handler's license. The secretary may also seek enforcement remedies under sections 1, 11, 12, 13, 16, and 17 of this title as well as assess an administrative penalty under section 15 of this title from any person who fails to comply with any permit provision as required by this subchapter or who violates the terms or conditions of coverage under any general permit or any individual permit issued under this subchapter. However, notwithstanding provisions of section 15 of this title to the contrary, the maximum administrative penalty assessed for a violation of this subchapter shall not exceed \$5,000.00 for each violation, and the maximum amount of any penalty assessed for separate and distinct violations of this chapter shall not exceed \$50,000.00.~~

~~(b) Any person who violates any provision of this subchapter or who fails to comply with any order or the terms of any permit issued in accordance with this subchapter shall be fined not more than \$10,000.00 for each violation. Each violation may be a separate offense and, in the case of a continuing violation, each day's continuance may be deemed a separate offense.~~

~~(c) Any person who knowingly makes any false statement, representation, or certification in any application, record, report, plan, or other document filed or required to be maintained by this subchapter or by any permit, rule, regulation, or order issued under this subchapter, or who falsifies, tampers with, or knowingly renders inaccurate any monitoring device or method required to be maintained by this subchapter or by any permit, rule, regulation, or order issued under this subchapter shall upon conviction be punished by a fine of not more than \$5,000.00 for each violation. Each violation may be a~~

~~separate offense and, in the case of a continuing violation, each day's continuance may be deemed a separate offense. [Repealed.]~~

\* \* \* Stream Alteration; Agricultural Activities \* \* \*

Sec. 24. 10 V.S.A. § 1021 is amended to read:

§ 1021. ALTERATION PROHIBITED; EXCEPTIONS

(a) A person shall not change, alter, or modify the course, current, or cross section of any watercourse or of designated outstanding resource waters, within or along the boundaries of this State either by movement, fill, or excavation of ten cubic yards or more of instream material in any year, unless authorized by the Secretary. A person shall not establish or construct a berm in a flood hazard area or river corridor, as those terms are defined in subdivisions 752(3) and (11) of this title, unless permitted by the Secretary or constructed as an emergency protective measure under subsection (b) of this section.

\* \* \*

(f) This subchapter shall not apply to:

(1) ~~accepted agricultural or silvicultural practices, as defined by the Secretary of Agriculture, Food and Markets, or silvicultural activities in compliance with the acceptable management practices for maintaining water quality on logging jobs in Vermont, as adopted by the Commissioner of Forests, Parks and Recreation, respectively; or~~

(2) a farm that is implementing an approved U.S. Department of Agriculture Natural Resource Conservation Service streambank stabilization project or a streambank stabilization project approved by the Secretary of Agriculture, Food and Markets that is consistent with policies adopted by the Secretary of Natural Resources to reduce fluvial erosion hazards.

\* \* \*

\* \* \* Use Value Appraisal; Compliance with  
Accepted Agricultural Practices \* \* \*

Sec. 25. 32 V.S.A. § 3756(i) is amended to read:

(i)(1) The Director shall remove from use value appraisal an entire parcel of managed ~~forest land~~ forestland and notify the owner ~~in accordance with the procedure in subsection (b) of this section~~ when the ~~Department~~ Commissioner of Forests, Parks and Recreation has not received a management activity report or has received an adverse inspection report, unless the lack of conformance consists solely of the failure to make prescribed planned cutting. In that case, the Director may delay removal from use value appraisal for a period of one year at a time to allow time to bring the parcel into conformance with the plan.

(2)(A) The Director shall remove from use value appraisal an entire parcel or parcels of agricultural land and farm buildings identified by the Secretary of Agriculture, Food and Markets as being used by a person:

(i) found, after administrative hearing, or contested judicial hearing or motion, to be in violation of water quality requirements established under 6 V.S.A. chapter 215, or any rules adopted or any permit or certification issued under 6 V.S.A. chapter 215; or

(ii) who is not in compliance with the terms of an administrative or court order issued under 6 V.S.A. chapter 215, subchapter 10 to remedy a violation of the requirements of 6 V.S.A. chapter 215 or any rules adopted or any permit or certification issued under 6 V.S.A. chapter 215.

(B) The Director shall notify the owner that agricultural land or a farm building has been removed from use value appraisal by mailing notification of removal to the owner or operator's last and usual place of abode. After removal of agricultural land or a farm building from use value appraisal under this section, the Director shall not consider a new application for use value appraisal for the agricultural land or farm building until the Secretary of Agriculture, Food and Markets submits to the Director a certification that the owner or operator of the agricultural land or farm building is complying with the water quality requirements of 6 V.S.A. chapter 215 or an order issued under 6 V.S.A. chapter 215. After submission of a certification by the Secretary of Agriculture, Food and Markets, an owner or operator shall be eligible to apply for enrollment of the agricultural land or farm building according to the requirements of this section.

Sec. 26. 32 V.S.A. § 3758 is amended to read:

§ 3758. APPEALS

(a) Whenever the Director denies in whole or in part any application for classification as agricultural land or managed forestland or farm buildings, or grants a different classification than that applied for, or the Director or assessing officials fix a use value appraisal or determine that previously classified property is no longer eligible or that the property has undergone a change in use, the aggrieved owner may appeal the decision of the Director to the Commissioner within 30 days of the decision, and from there to Superior Court in the county in which the property is located.

\* \* \*

(e) When the Director removes agricultural land or a farm building pursuant to notification from the Secretary of Agriculture, Food and Markets under 3756 of this title, the exclusive right of appeal shall be as provided in 6 V.S.A. § 4996(a).

Sec. 27. 32 V.S.A. § 3752(5) is amended to read:

(5) “Development” means, for the purposes of determining whether a land use change tax is to be assessed under section 3757 of this chapter, the construction of any building, road, or other structure, or any mining, excavation, or landfill activity. “Development” also means the subdivision of a parcel of land into two or more parcels, regardless of whether a change in use actually occurs, where one or more of the resulting parcels contains less than 25 acres each; but if subdivision is solely the result of a transfer to one or more of a spouse, parent, grandparent, child, grandchild, niece, nephew, or sibling of the transferor, or to the surviving spouse of any of the foregoing, then “development” shall not apply to any portion of the newly created parcel or parcels which qualifies for enrollment and for which, within 30 days following the transfer, each transferee or transferor applies for reenrollment in the use value appraisal program. “Development” also means the cutting of timber on property appraised under this chapter at use value in a manner contrary to a forest or conservation management plan as provided for in subsection 3755(b) of this title during the remaining term of the plan, or contrary to the minimum acceptable standards for forest management if the plan has expired; or a change in the parcel or use of the parcel in violation of the conservation management standards established by the Commissioner of Forests, Parks and Recreation. “Development” also means notification of the Director by the Secretary of Agriculture, Food and Markets under section 3756 of this title that the owner or operator of agricultural land or a farm building is violating the water quality requirements of 6 V.S.A. chapter 215 or is failing to comply with the terms of an order issued under 6 V.S.A. chapter 215, subchapter 10. The term “development” shall not include the construction, reconstruction, structural alteration, relocation, or enlargement of any building, road, or other structure for farming, logging, forestry, or conservation purposes, but shall include the subsequent commencement of a use of that building, road, or structure for other than farming, logging, or forestry purposes.

\* \* \* Agency of Natural Resources Basin Planning \* \* \*

Sec. 28. 10 V.S.A. § 1253 is amended to read:

§ 1253. CLASSIFICATION OF WATERS DESIGNATED,  
RECLASSIFICATION

\* \* \*

(d)(1) The Through the process of basin planning, the Secretary shall determine what degree of water quality and classification should be obtained and maintained for those waters not classified by the Board before 1981 following the procedures in sections 1254 and 1258 of this title. Those waters shall be classified in the public interest. The Secretary shall prepare and

maintain an overall surface water management plan to assure that the State water quality standards are met in all State waters. The surface water management plan shall include a schedule for updating the basin plans. The Secretary, in consultation with regional planning commissions and natural resource conservation districts, shall revise all ~~47~~ 15 basin plans by January 1, 2006, and update them every five years thereafter the basin plans on a five-year rotating basis. On or before January 1 15 of each year, the Secretary shall report to the House Committees on Agriculture and Forest Products, on Natural Resources and Energy, and on Fish, Wildlife and Water Resources, and to the Senate Committees on Agriculture and on Natural Resources and Energy regarding the progress made and difficulties encountered in revising basin plans. By January 1, 1993, the Secretary shall prepare an overall management plan to ensure that the water quality standards are met in all State waters. The report shall include a schedule for the production of basin plans in the subsequent calendar year and a summary of actions to be taken over the subsequent three years. The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the report to be made under this subsection.

(2) In developing a basin plan under this subsection, the Secretary shall:

(A) assure that municipal officials, citizens, watershed groups, and other interested groups and individuals are involved in the basin planning process;

(B) assure regional and local input in State water quality policy development and planning processes;

(C) provide education to municipal officials and citizens regarding the basin planning process; and

(D) develop, in consultation with the applicable regional planning commission, an analysis and formal recommendation on conformance with the goals and objectives of applicable regional plans.

(3) The Secretary may contract with a regional planning commission to assist in or to produce a basin plan under the schedule set forth in subdivision (1) of this subsection. When contracting with a regional planning commission to assist in or produce a basin plan, the Secretary may require the regional planning commission to:

(A) conduct any of the activities required under subdivision (2) of this subsection;

(B) provide technical assistance and data collection activities to inform municipal officials and the State in making water quality investment decisions;

(C) coordinate municipal planning and adoption or implementation of municipal development regulations to better meet State water quality policies and investment priorities;

(D) assist the Secretary in implementing a project evaluation process to prioritize water quality improvement projects within the region to assure cost effective use of State and federal funds.

(e) In determining the question of public interest, the Secretary shall give due consideration to, and explain his or her decision with respect to, the following:

- (1) existing and obtainable water qualities;
- (2) existing and potential use of waters for public water supply, recreational, agricultural, industrial, and other legitimate purposes;
- (3) natural sources of pollution;
- (4) public and private pollution sources and the alternative means of abating the same;
- (5) consistency with the State water quality policy established in 10 V.S.A. § 1250;
- (6) suitability of waters as habitat for fish, aquatic life, and wildlife;
- (7) need for and use of minimum streamflow requirements;
- (8) federal requirements for classification and management of waters;
- (9) consistency with applicable municipal, regional, and State plans; and
- (10) any other factors relevant to determine the maximum beneficial use and enjoyment of waters.

(f) Notwithstanding the provisions of subsection (c) of this section, when reclassifying waters to Class A, the Secretary need find only that the reclassification is in the public interest.

(g) The Secretary under the reclassification rule may grant permits for only a portion of the assimilative capacity of the receiving waters, or may permit only indirect discharges from on-site disposal systems, or both.

Sec. 29. 24 V.S.A. § 4302 is amended to read:

§ 4302. PURPOSE; GOALS

\* \* \*

(b) It is also the intent of the Legislature that municipalities, regional planning commissions, and State agencies shall engage in a continuing planning process that will further the following goals:

\* \* \*

(c) In addition, this chapter shall be used to further the following specific goals:

\* \* \*

(6) To maintain and improve the quality of air, water, wildlife, and land resources.

(A) Vermont's air, water, wildlife, mineral and land resources should be planned for use and development according to the principles set forth in 10 V.S.A. § 6086(a).

(B) Vermont's water quality should be maintained and improved according to the policies and actions developed in the basin plans established by the Secretary of Natural Resources under 10 V.S.A. § 1253.

\* \* \*

Sec. 30. 24 V.S.A. § 4348(c) is amended to read:

(c) At least 30 days prior to the first hearing, a copy of the proposed plan or amendment, with a request for general comments and for specific comments with respect to the extent to which the plan or amendment is consistent with the goals established in section 4302 of this title, shall be delivered with proof of receipt, or sent by certified mail, return receipt requested, to each of the following:

(1) the chair of the legislative body of each municipality within the region;

(2) the executive director of each abutting regional planning commission;

(3) the Department of Housing and Community Development within the Agency of Commerce and Community Development; ~~and~~

(4) business, conservation, low income advocacy, and other community or interest groups or organizations that have requested notice in writing prior to the date the hearing is warned; and

(5) The Agency of Natural Resources and the Agency of Agriculture, Food and Markets.

Sec. 31. 24 V.S.A. § 4348a(a) is amended to read:



(a) A regional plan shall be consistent with the goals established in section 4302 of this title and shall include the following:

\* \* \*

(6) A statement of policies on the:

(A) preservation of rare and irreplaceable natural areas, scenic and historic features and resources; and

(B) protection and improvement of the quality of waters of the State to be used in the development and furtherance of the applicable basin plans established by the Secretary of Natural Resources under 10 V.S.A. § 1253;

\* \* \*

\* \* \* Antidegradation Policy Implementation Rule \* \* \*

Sec. 32. 10 V.S.A. § 1251a(c) is amended to read:

(c) On or before ~~January 15, 2008~~ July 1, 2016, the Secretary of Natural Resources shall ~~propose draft rules for~~ adopt by rule an implementation process for the antidegradation policy in the water quality standards of the State. The implementation process for the antidegradation policy shall be consistent with the State water quality policy established in section 1250 of this title, the Vermont Water Quality Standards, and any applicable requirements of the federal Clean Water Act. ~~On or before July 1, 2008, a final proposal of the rules for an implementation process for the antidegradation policy shall be filed with the Secretary of State under 3 V.S.A. § 841.~~

\* \* \* Stormwater Management \* \* \*

Sec. 33. 10 V.S.A. § 1264 is amended to read:

§ 1264. STORMWATER MANAGEMENT

~~(a) The General Assembly finds that the management of stormwater runoff is necessary to reduce stream channel instability, pollution, siltation, sedimentation, and local flooding, all of which have adverse impacts on the water and land resources of the State. The General Assembly intends, by enactment of this section, to reduce the adverse effects of stormwater runoff. The General Assembly determines that this intent may best be attained by a process that: assures broad participation; focuses upon the prevention of pollution; relies on structural treatment only when necessary; establishes and maintains accountability; tailors strategies to the region and the locale; assures an adequate funding source; builds broadbased programs; provides for the evaluation and appropriate evolution of programs; is consistent with the federal Clean Water Act and the State water quality standards; and accords appropriate~~

~~recognition to the importance of community benefits that accompany an effective stormwater runoff management program. In furtherance of these purposes, the Secretary shall implement two stormwater permitting programs. The first program is based on the requirements of the federal National Pollutant Discharge Elimination System (NPDES) permit program in accordance with section 1258 of this title. The second program is a State permit program based on the requirements of this section for the discharge of "regulated stormwater runoff" as that term is defined in subdivision (11) of this subsection. As used in this section:~~

~~(1) "2002 Stormwater Management Manual" means the Agency of Natural Resources' Stormwater Management Manual dated April 2002, as amended from time to time by rule.~~

~~(2) "Best management practice" (BMP) means a schedule of activities, prohibitions of practices, maintenance procedures, and other management practices to prevent or reduce water pollution.~~

~~(3) "Development" means the construction of impervious surface on a tract or tracts of land where no impervious surface previously existed.~~

~~(4) "Existing stormwater discharge" means a discharge of regulated stormwater runoff which first occurred prior to June 1, 2002 and that is subject to the permitting requirements of this chapter.~~

~~(5) "Expansion" and "the expanded portion of an existing discharge" mean an increase or addition of impervious surface, such that the total resulting impervious area is greater than the minimum regulatory threshold. Expansion does not mean an increase or addition of impervious surface of less than 5,000 square feet.~~

~~(6) "Impervious surface" means those manmade surfaces, including paved and unpaved roads, parking areas, roofs, driveways, and walkways, from which precipitation runs off rather than infiltrates.~~

~~(7) "New stormwater discharge" means a new or expanded discharge of regulated stormwater runoff, subject to the permitting requirements of this chapter, which first occurs after June 1, 2002 and has not been previously authorized pursuant to this chapter.~~

~~(8) "Offset" means a State permitted or approved action or project within a stormwater impaired water that a discharger or a third person may complete to mitigate the impacts that a discharge of regulated stormwater runoff has on the stormwater impaired water.~~

~~(9) “Offset charge” means the amount of sediment load or hydrologic impact that an offset must reduce or control in the stormwater impaired water in which the offset is located.~~

~~(10) “Redevelopment” means the construction or reconstruction of an impervious surface where an impervious surface already exists when such new construction involves substantial site grading, substantial subsurface excavation, or substantial modification of existing stormwater conveyance, such that the total of impervious surface to be constructed or reconstructed is greater than the minimum regulatory threshold. Redevelopment does not mean the construction or reconstruction of impervious surface where impervious surface already exists when the construction or reconstruction involves less than 5,000 square feet. Redevelopment does not mean public road management activities, including any crack sealing, patching, coldplaning, resurfacing, reclaiming, or grading treatments used to maintain pavement, bridges, and unpaved roads.~~

~~(11) “Regulated stormwater runoff” means precipitation, snowmelt, and the material dissolved or suspended in precipitation and snowmelt that runs off impervious surfaces and discharges into surface waters or into groundwater via infiltration.~~

~~(12) “Stormwater impact fee” means the monetary charge assessed to a permit applicant for the discharge of regulated stormwater runoff to a stormwater impaired water that mitigates a sediment load level or hydrologic impact that the discharger is unable to control through on-site treatment or completion of an offset on a site owned or controlled by the permit applicant.~~

~~(13) “Stormwater impaired water” means a State water that the Secretary determines is significantly impaired by discharges of regulated stormwater runoff.~~

~~(14) “Stormwater runoff” means precipitation and snowmelt that does not infiltrate into the soil, including material dissolved or suspended in it, but does not include discharges from undisturbed natural terrain or wastes from combined sewer overflows.~~

~~(15) “Total maximum daily load” (TMDL) means the calculations and plan for meeting water quality standards approved by the U.S. Environmental Protection Agency (EPA) and prepared pursuant to 33 U.S.C. § 1313(d) and federal regulations adopted under that law.~~

~~(16) “Water quality remediation plan” means a plan, other than a TMDL or sediment load allocation, designed to bring an impaired water body into compliance with applicable water quality standards in accordance with 40 C.F.R. § 130.7(b)(1)(ii) and (iii).~~

~~(17) “Watershed improvement permit” means a general permit specific to a stormwater-impaired water that is designed to apply management strategies to existing and new discharges and that includes a schedule of compliance no longer than five years reasonably designed to assure attainment of the Vermont water quality standards in the receiving waters.~~

~~(18) “Stormwater system” means the storm sewers; outfall sewers; surface drains; manmade wetlands; channels; ditches; wet and dry bottom basins; rain gardens; and other control equipment necessary and appurtenant to the collection, transportation, conveyance, pumping, treatment, disposal, and discharge of regulated stormwater runoff.~~

~~(19) “Net zero standard” means:~~

~~(A) A new discharge or the expanded portion of an existing discharge meets the requirements of the 2002 Stormwater Management Manual and does not increase the sediment load in the receiving stormwater-impaired water; or~~

~~(B) A discharge from redevelopment; from an existing discharge operating under an expired stormwater discharge permit where the property owner applies for a new permit; or from any combination of development, redevelopment, and expansion meets on site the water quality, recharge, and channel protection criteria set forth in Table 1.1 of the 2002 Stormwater Management Manual that are determined to be technically feasible by an engineering feasibility analysis conducted by the Agency and if the sediment load from the discharge approximates the natural runoff from an undeveloped field or open meadow that is not used for agricultural activity.~~

~~(b) The Secretary shall prepare a plan for the management of collected stormwater runoff found by the Secretary to be deleterious to receiving waters. The plan shall recognize that the runoff of stormwater is different from the discharge of sanitary and industrial wastes because of the influence of natural events of stormwater runoff, the variations in characteristics of those runoffs, and the increased stream flows and natural degradation of the receiving water quality at the time of discharge. The plan shall be cost-effective and designed to minimize any adverse impact of stormwater runoff to waters of the State. By no later than February 1, 2001, the Secretary shall prepare an enhanced stormwater management program and report on the content of that program to the House Committees on Fish, Wildlife and Water Resources and on Natural Resources and Energy and to the Senate Committee on Natural Resources and Energy. In developing the program, the Secretary shall consult with the Board, affected municipalities, regional entities, other State and federal agencies, and members of the public. The Secretary shall be responsible for implementation of the program. The Secretary’s stormwater management program shall include, at a minimum, provisions that:~~

~~(1) Indicate that the primary goals of the State program will be to assure compliance with the Vermont Water Quality Standards and to maintain after development, as nearly as possible, the predevelopment runoff characteristics.~~

~~(2) Allow for differences in hydrologic characteristics in different parts of the State.~~

~~(3) Incorporate stormwater management into the basin planning process conducted under section 1253 of this title.~~

~~(4) Assure consistency with applicable requirements of the federal Clean Water Act.~~

~~(5) Address stormwater management in new development and redevelopment.~~

~~(6) Control stormwater runoff from construction sites and other land disturbing activities.~~

~~(7) Indicate that water quality mitigation practices may be required for any redevelopment of previously developed sites, even when preredevlopment runoff characteristics are proposed to be maintained.~~

~~(8) Specify minimum requirements for inspection and maintenance of stormwater management practices.~~

~~(9) Promote detection and elimination of improper or illegal connections and discharges.~~

~~(10) Promote implementation of pollution prevention during the conduct of municipal operations.~~

~~(11) Provide for a design manual that includes technical guidance for the management of stormwater runoff.~~

~~(12) Encourage municipal governments to utilize existing regulatory and planning authority to implement improved stormwater management by providing technical assistance, training, research and coordination with respect to stormwater management technology, and by preparing and distributing a model local stormwater management ordinance.~~

~~(13) Promote public education and participation among citizens and municipalities about cost effective and innovative measures to reduce stormwater discharges to the waters of the State.~~

~~(e) The Secretary shall submit the program report to the House Committees on Agriculture and Forest Products, on Transportation, and on Natural Resources and Energy and to the Senate Committees on Agriculture and on Natural Resources and Energy.~~

~~(d)(1) The Secretary shall initiate rulemaking by October 15, 2004, and shall adopt a rule for a stormwater management program by June 15, 2005. The rule shall be adopted in accordance with 3 V.S.A. chapter 25 and shall include:~~

~~(A) the regulatory elements of the program identified in subsection (b) of this section, including the development and use of offsets and the establishment and imposition of stormwater impact fees to apply when issuing permits that allow regulated stormwater runoff to stormwater impaired waters;~~

~~(B) requirements concerning the contents of permit applications that include, at a minimum, for regulated stormwater runoff, the permit application requirements contained in the Agency's 1997 stormwater management procedures;~~

~~(C) a system of notifying interested persons in a timely way of the Agency's receipt of stormwater discharge applications, provided any alleged failures with respect to such notice shall not be relevant in any Agency permit decision or any appeals brought pursuant to section 1269 of this chapter;~~

~~(D) requirements concerning a permit for discharges of regulated stormwater runoff from the development, redevelopment, or expansion of impervious surfaces equal to or greater than one acre or any combination of development, redevelopment, and expansion of impervious surfaces equal to or greater than one acre; and~~

~~(E) requirements concerning a permit for discharges of regulated stormwater runoff from an impervious surface of any size to stormwater impaired waters if the Secretary determines that treatment is necessary to reduce the adverse impact of such stormwater discharges due to the size of the impervious surface, drainage patterns, hydraulic connectivity, existing stormwater treatment, or other factors identified by the Secretary.~~

~~(2) Notwithstanding 3 V.S.A. § 840(a), the Secretary shall hold at least three public hearings in different areas of the State regarding the proposed rule.~~

~~(e)(1) Except as otherwise may be provided in subsection (f) of this section, the Secretary shall, for new stormwater discharges, require a permit for discharge of, regulated stormwater runoff consistent with, at a minimum, the 2002 Stormwater Management Manual. The Secretary may issue, condition, modify, revoke, or deny discharge permits for regulated stormwater runoff, as necessary to assure achievement of the goals of the program and compliance with State law and the federal Clean Water Act. The permit shall specify the use of best management practices to control regulated stormwater runoff. The permit shall require as a condition of approval, proper operation, and maintenance of any stormwater management facility and submittal by the~~

~~permittee of an annual inspection report on the operation, maintenance and condition of the stormwater management system. The permit shall contain additional conditions, requirements, and restrictions as the Secretary deems necessary to achieve and maintain compliance with the water quality standards, including requirements concerning recording, reporting, and monitoring the effects on receiving waters due to operation and maintenance of stormwater management facilities.~~

~~(2) As one of the principal means of administering an enhanced stormwater program, the Secretary may issue and enforce general permits. To the extent appropriate, such permits shall include the use of certifications of compliance by licensed professional engineers practicing within the scope of their engineering specialty. The Secretary may issue general permits for classes of regulated stormwater runoff permittees and may specify the period of time for which the permit is valid other than that specified in subdivision 1263(d)(4) of this title when such is consistent with the provisions of this section. General permits shall be adopted and administered in accordance with the provisions of subsection 1263(b) of this title. No permit is required under this section for:~~

~~(A) Stormwater runoff from farms subject to accepted agricultural practices adopted by the Secretary of Agriculture, Food and Markets;~~

~~(B) Stormwater runoff from concentrated animal feeding operations that require a permit under subsection 1263(g) of this chapter; or~~

~~(C) Stormwater runoff from silvicultural activities subject to accepted management practices adopted by the Commissioner of Forests, Parks and Recreation.~~

~~(3) Prior to issuing a permit under this subsection, the Secretary shall review the permit applicant's history of compliance with the requirements of this chapter. The Secretary may, at his or her discretion and as necessary to assure achievement of the goals of the program and compliance with State law and the federal Clean Water Act, deny an application for the discharge of regulated stormwater under this subsection if review of the applicant's compliance history indicates that the applicant is discharging regulated stormwater in violation of this chapter or is the holder of an expired permit for an existing discharge of regulated stormwater.~~

~~(f)(1) In a stormwater impaired water, the Secretary may issue:~~

~~(A) An individual permit in a stormwater impaired water for which no TMDL, water quality remediation plan, or watershed improvement permit has been established or issued, provided that the permitted discharge meets the following discharge standard: prior to the issuance of a general permit to~~

~~implement a TMDL or a water quality remediation plan, the discharge meets the net-zero standard;~~

~~(B) An individual permit or a general permit to implement a TMDL or water quality remediation plan in a stormwater impaired water, provided that the permitted discharge meets the following discharge standard:~~

~~(i) a new stormwater discharge or the expansion of an existing discharge shall meet the treatment standards for new development and expansion in the 2002 Stormwater Management Manual and any additional requirements deemed necessary by the Secretary to implement the TMDL or water quality remediation plan;~~

~~(ii) for a discharge of regulated stormwater runoff from redeveloped impervious surfaces:~~

~~(I) the existing impervious surface shall be reduced by 20 percent, or a stormwater treatment practice shall be designed to capture and treat 20 percent of the water quality volume treatment standard of the 2002 Stormwater Management Manual from the existing impervious surface; and~~

~~(II) any additional requirements deemed necessary by the Secretary to implement the TMDL or the water quality remediation plan;~~

~~(iii) an existing stormwater discharge shall meet the treatment standards deemed necessary by the Secretary to implement a TMDL or a water quality remediation plan;~~

~~(iv) if a permit is required for an expansion of an existing impervious surface or for the redevelopment of an existing impervious surface, discharges from the expansion or from the redeveloped portion of the existing impervious surface shall meet the relevant treatment standard of the 2002 Stormwater Management Manual, and the existing impervious surface shall meet the treatment standards deemed necessary by the Secretary to implement a TMDL or the water quality remediation plan;~~

~~(C) A watershed improvement permit, provided that the watershed improvement permit provides reasonable assurance of compliance with the Vermont water quality standards in five years;~~

~~(D) A general or individual permit that is implementing a TMDL or water quality remediation plan; or~~

~~(E) A statewide general permit for new discharges that the Secretary deems necessary to assure attainment of the Vermont Water Quality Standards.~~

~~(2) An authorization to discharge regulated stormwater runoff pursuant to a permit issued under this subsection shall be valid for a time period not to~~



exceed five years. A person seeking to discharge regulated stormwater runoff after the expiration of that period shall obtain an individual permit or coverage under a general permit, whichever is applicable, in accordance with subsection 1263(e) of this title.

~~(3) By January 15, 2010, the Secretary shall issue a watershed improvement permit, issue a general or individual permit implementing a TMDL approved by the EPA, or issue a general or individual permit implementing a water quality remediation plan for each of the stormwater impaired waters on the Vermont Year 2004 Section 303(d) List of Waters required by 33 U.S.C. 1313(d). In developing a TMDL or a water quality remediation plan for a stormwater impaired water, the Secretary shall consult "A Scientifically Based Assessment and Adaptive Management Approach to Stormwater Management" and "Areas of Agreement about the Scientific Underpinnings of the Water Resources Board's Original Seven Questions" set out in appendices A and B, respectively, of the final report of the Water Resources Board's "Investigation Into Developing Cleanup Plans For Stormwater Impaired Waters, Docket No. Inv 03-01," issued March 9, 2004.~~

~~(4) Discharge permits issued under this subsection shall require BMP-based stormwater treatment practices. Permit compliance shall be judged on the basis of performance of the terms and conditions of the discharge permit, including construction and maintenance in accordance with BMP specifications. Any permit issued for a new stormwater discharge or for the expanded portion of an existing discharge pursuant to this subsection shall require compliance with BMPs for stormwater collection and treatment established by the 2002 Stormwater Management Manual, and any additional requirements for stormwater treatment and control systems as the Secretary determines to be necessary to ensure that the permitted discharge does not cause or contribute to a violation of the Vermont Water Quality Standards.~~

~~(5) In addition to any permit condition otherwise authorized under subsection (e) of this section, in any permit issued pursuant to this subsection, the Secretary may require an offset or stormwater impact fee as necessary to ensure the discharge does not cause or contribute to a violation of the Vermont Water Quality Standards. Offsets and stormwater impact fees, where utilized, shall incorporate an appropriate margin of safety to account for the variability in quantifying the load of pollutants of concern. To facilitate utilization of offsets and stormwater impact fees, the Secretary shall identify by January 1, 2005 a list of potential offsets in each of the waters listed as a stormwater impaired water under this subsection.~~

~~(g)(1) The Secretary may issue a permit consistent with the requirements of subsection (f) of this section, even where a TMDL or wasteload allocation has not been prepared for the receiving water. In any appeal under this chapter an individual permit meeting the requirements of subsection (f) of this section shall have a rebuttable presumption in favor of the permittee that the discharge does not cause or contribute to a violation of the Vermont Water Quality Standards for the receiving waters with respect to the discharge of regulated stormwater runoff. This rebuttable presumption shall only apply to permitted discharges into receiving waters that are principally impaired by sources other than regulated stormwater runoff.~~

~~(2) This subsection shall apply to stormwater permits issued under the federally delegated NPDES program only to the extent allowed under federal law.~~

~~(h) The rebuttable presumption specified in subdivision (g)(1) of this section shall also apply to permitted discharges into receiving waters that meet the water quality standards of the State, provided the discharge meets the requirements of subsection (e) of this section.~~

~~(i) A residential subdivision may transfer a pretransition stormwater discharge permit or a stormwater discharge permit implementing a total maximum daily load plan to a municipality, provided that the municipality assumes responsibility for the permitting of the stormwater system that serves the residential subdivision. As used in this section:~~

~~(1) "Pretransition stormwater discharge permit" means any permit issued by the Secretary of Natural Resources pursuant to this section on or before June 30, 2004 for a discharge of stormwater.~~

~~(2) "Residential subdivision" means land identified and demarcated by recorded plat or other device that a municipality has authorized to be used primarily for residential construction.~~

~~(j) Notwithstanding any other provision of law, if an application to discharge stormwater runoff pertains to a telecommunications facility as defined in 30 V.S.A. § 248a and is filed before July 1, 2017 and the discharge will be to a water that is not principally impaired by stormwater runoff:~~

~~(1) The Secretary shall issue a decision on the application within 40 days of the date the Secretary determines the application to be complete, if the application seeks authorization under a general permit.~~

~~(2) The Secretary shall issue a decision on the application within 60 days of the date the Secretary determines the application to be complete, if the application seeks or requires authorization under an individual permit.~~

~~(k) The Secretary may adopt rules regulating stormwater discharges and stormwater infrastructure repair or maintenance during a state of emergency declared under 20 V.S.A. chapter 1 or during flooding or other emergency conditions that pose an imminent risk to life or a risk of damage to public or private property. Any rule adopted under this subsection shall comply with National Flood Insurance Program requirements. A rule adopted under this subsection shall include a requirement that an activity receive an individual stormwater discharge emergency permit or receive coverage under a general stormwater discharge emergency permit.~~

~~(1) A rule adopted under this subsection shall establish:~~

~~(A) criteria for coverage under an individual or general emergency permit;~~

~~(B) criteria for different categories of activities covered under a general emergency permit;~~

~~(C) requirements for public notification of permitted activities, including notification after initiation or completion of a permitted activity;~~

~~(D) requirements for coordination with State and municipal authorities;~~

~~(E) requirements that the Secretary document permitted activity, including, at a minimum, requirements for documenting permit terms, documenting permit duration, and documenting the nature of an activity when the rules authorize notification of the Secretary after initiation or completion of the activity.~~

~~(2) A rule adopted under this section may:~~

~~(A) establish reporting requirements for categories of activities;~~

~~(B) authorize an activity that does not require reporting to the Secretary; or~~

~~(C) authorize an activity that requires reporting to the Secretary after initiation or completion of an activity.~~

(a) Findings and intent.

(1) Findings. The General Assembly finds that the management of stormwater runoff is necessary to reduce stream channel instability, pollution, siltation, sedimentation, and flooding, all of which have adverse impacts on the water and land resources of the State.

(2) Intent. The General Assembly intends, by enactment of this section to:

(A) Reduce the adverse effects of stormwater runoff.

(B) Direct the Agency of Natural Resources to develop a process that assures broad participation; focuses upon the prevention of pollution; relies on structural treatment only when necessary; establishes and maintains accountability; tailors strategies to the region and the locale; builds broad-based programs; provides for the evaluation and appropriate evolution of programs; is consistent with the federal Clean Water Act and the State water quality standards; and accords appropriate recognition to the importance of community benefits that accompany an effective stormwater runoff management program. In furtherance of these purposes, the Secretary shall implement a stormwater permitting program. The stormwater permitting program developed by the Secretary shall recognize that stormwater runoff is different from the discharge of sanitary and industrial wastes because of the influence of natural events of stormwater runoff, the variations in characteristics of those runoffs, and the increased stream flows causing degradation of the quality of the receiving water at the time of discharge.

(b) Definitions. As used in this section:

(1) "Best management practice" (BMP) means a schedule of activities, prohibitions or practices, maintenance procedures, and other management practices to prevent or reduce water pollution.

(2) "Development" means the construction of impervious surface on a tract or tracts of land where no impervious surface previously existed.

(3) "Expansion" and "the expanded portion of an existing discharge" mean an increase or addition of impervious surface, such that the total resulting impervious area is greater than the minimum regulatory threshold.

(4) "Impervious surface" means those manmade surfaces, including paved and unpaved roads, parking areas, roofs, driveways, and walkways, from which precipitation runs off rather than infiltrates.

(5) "New stormwater discharge" means a new or expanded discharge of regulated stormwater runoff, subject to the permitting requirements of this chapter that has not been previously authorized pursuant to this chapter.

(6) "Offset" means a State-permitted or -approved action or project within a stormwater-impaired water or within a water that contributes to the impairment of Lake Champlain that a discharger or a third person may complete to mitigate the impacts that a discharge of regulated stormwater runoff has on the stormwater-impaired water.

(7) "Redevelopment" or "redevelop" means the construction or reconstruction of an impervious surface where an impervious surface already

exists when such new construction involves substantial site grading, substantial subsurface excavation, or substantial modification of an existing stormwater conveyance, such that the total of impervious surface to be constructed or reconstructed is greater than the minimum regulatory threshold. Redevelopment does not mean public road management activities, including any crack sealing, patching, coldplaning, resurfacing, reclaiming, or grading treatments used to maintain pavement, bridges, and unpaved roads.

(8) “Regulated stormwater runoff” means precipitation, snowmelt, and the material dissolved or suspended in precipitation and snowmelt that runs off impervious surfaces and discharges into surface waters or into groundwater via infiltration.

(9) “Stormwater impact fee” means the monetary charge assessed to a permit applicant for the discharge of regulated stormwater runoff to a stormwater-impaired water or a water that contributes to the impairment of Lake Champlain that mitigates a sediment load level or hydrologic impact that the discharger is unable to control through on-site treatment or completion of an offset on a site owned or controlled by the permit applicant.

(10) “Stormwater-impaired water” means a State water that the Secretary determines is significantly impaired by discharges of regulated stormwater runoff.

(11) “Stormwater Management Manual” means the Agency of Natural Resources’ Stormwater Management Manual, as adopted and amended by rule.

(12) “Stormwater runoff” means precipitation and snowmelt that does not infiltrate into the soil, including material dissolved or suspended in it, but does not include discharges from undisturbed natural terrain or wastes from combined sewer overflows.

(13) “Stormwater system” includes the storm sewers; outfall sewers; surface drains; manmade wetlands; channels; ditches; wet and dry bottom basins; rain gardens; and other control equipment necessary and appurtenant to the collection, transportation, conveyance, pumping, treatment, disposal, and discharge of regulated stormwater runoff.

(14) “Total maximum daily load” (TMDL) means the calculations and plan for meeting water quality standards approved by the U.S. Environmental Protection Agency (EPA) and prepared pursuant to 33 U.S.C. § 1313(d) and federal regulations adopted under that law.

(15) “Water quality remediation plan” means a plan, other than a TMDL, designed to bring an impaired water body into compliance with applicable water quality standards in accordance with 40 C.F.R. § 130.7(b)(1)(ii) and (iii).

(16) “Watershed improvement permit” means a general permit specific to a stormwater-impaired water that is designed to apply management strategies to existing and new discharges and that includes a schedule of compliance no longer than five years reasonably designed to assure attainment of the Vermont water quality standards in the receiving waters.

(c) Prohibitions.

(1) A person shall not commence the construction or redevelopment of one acre or more of impervious surface without first obtaining a permit from the Secretary.

(2) A person shall not discharge from a facility that has a standard industrial classification identified in 40 C.F.R. § 122.26 without first obtaining a permit from the Secretary.

(3) A person that has been designated by the Secretary as requiring coverage for its municipal separate storm sewer system may not discharge without first obtaining a permit from the Secretary.

(4) A person shall not commence a project that will result in an earth disturbance of one acre or greater, or less than one acre if part of a common plan of development, without first obtaining a permit from the Secretary.

(5) A person shall not expand existing impervious surface by more than 5,000 square feet, such that the total resulting impervious area is greater than one acre, without first obtaining a permit from the Secretary.

(6)(A) In accordance with the schedule established under subsection (g)(2) of this section, a municipality shall not discharge stormwater from a municipal road without first obtaining:

(i) an individual permit;

(ii) coverage under a municipal road general permit; or

(iii) coverage under a municipal separate stormsewer system permit that implements the technical standards and criteria established by the Secretary for stormwater improvements of municipal roads.

(B) As used in this subdivision, “municipality” means a city, town, or village.

(7) In accordance with the schedule established under subsection (g)(3), a person shall not discharge stormwater from impervious surface of three or more acres in size without first obtaining an individual permit or coverage under a general permit issued under this section if the discharge was never previously permitted or was permitted under an individual permit or general permit that did not incorporate the requirements of the 2002 Stormwater

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Management Manual or any subsequently adopted Stormwater Management Manual.

(d) Exemptions. No permit is required under this section for:

(1) Stormwater runoff from farms in compliance with agricultural practices adopted by the Secretary of Agriculture, Food and Markets.

(2) Stormwater runoff from concentrated animal feeding operations permitted under subsection 1263(g) of this chapter.

(3) Stormwater runoff from silvicultural activities in compliance with the Acceptable Management Practices for Maintaining Water Quality on Logging Jobs in Vermont, as adopted by the Commissioner of Forests, Parks and Recreation.

(4) Stormwater systems that were permitted under subdivision (c)(1) or (5) of this section and for which a municipality has assumed full legal responsibility for that stormwater system. As used in this subdivision, “full legal responsibility” means a legal control of the stormwater system, including a legal right to access the stormwater system, a legal duty to properly maintain the stormwater system, and a legal duty to repair and replace the stormwater system when it no longer adequately protects waters of the State.

(5) Stormwater runoff permitted under section 1263 of this title.

(e) State designation. The Secretary shall require a permit under this section for a discharge or stormwater runoff from any size of impervious surfaces upon a determination by the Secretary that the treatment of the discharge or stormwater runoff is necessary to reduce the adverse impacts to water quality of the discharge or stormwater runoff taking into consideration any of the following factors: the size of the impervious surface, drainage patterns, hydraulic connectivity, existing stormwater treatment, stormwater controls necessary to implement the wasteload allocation of a TMDL, or other factors. The Secretary may make this determination on a case-by-case basis or according to classes of activities, classes of runoff, or classes of discharge. The Secretary may make a determination under this subsection based on activities, runoff, discharges, or other information identified during the basin planning process.

(f) Rulemaking. The Secretary shall adopt rules to manage regulated stormwater runoff. At a minimum, the rules shall:

(1) Establish as the primary goals of the rules:

(A) assuring compliance with the Vermont Water Quality Standards; and

(B) maintenance after development, as nearly as possible, of the predevelopment runoff characteristics.

(2) Establish criteria for the use of the basin planning process to establish watershed-specific priorities for the management of stormwater runoff.

(3) Assure consistency with applicable requirements of the federal Clean Water Act.

(4) Include technical standards and best management practices that address stormwater discharges from existing development, new development, and redevelopment.

(5) Specify minimum requirements for inspection and maintenance of stormwater management practices.

(6) Include standards for the management of stormwater runoff from construction sites and other land disturbing activities.

(7) Allow municipal governments to assume the full legal responsibility for a stormwater system permitted under these rules as a part of a permit issued by the Secretary.

(8) Include standards with respect to the use of offsets and stormwater impact fees.

(9) Include minimum standards for the issuance of stormwater permits during emergencies for the repair or maintenance of stormwater infrastructure during a state of emergency declared under 20 V.S.A. chapter 1 or during flooding or other emergency conditions that pose an imminent risk to life or a risk of damage to public or private property. Minimum standards adopted under this subdivision shall comply with National Flood Insurance Program requirements.

(10) To the extent appropriate, authorize in the permitting process use of certifications of compliance by licensed professional engineers practicing within the scope of their engineering specialty.

(g) General permits.

(1) The Secretary may issue general permits for classes of regulated stormwater runoff that shall be adopted and administered in accordance with the provisions of subsection 1263(b) of this title.

(2)(A) The Secretary shall issue by December 31, 2017, a general permit for discharges of regulated stormwater from municipal roads. Under the municipal roads stormwater general permit, the Secretary shall:



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(i) Establish a schedule for implementation of the general permit by each municipality in the State. Under the schedule, the Secretary shall establish:

(I) the date by which each municipality shall apply for coverage under the municipal roads general permit;

(II) the date by which each municipality shall inventory necessary stormwater management projects on municipal roads;

(III) the date by which each municipality shall establish a plan for implementation of stormwater improvements that prioritizes stormwater improvements according to criteria established by the Secretary under the general permit; and

(IV) the date by which each municipality shall implement stormwater improvements of municipal roads according to a municipal implementation plan.

(ii) Establish criteria and technical standards, such as best management practices, for implementation of stormwater improvements of municipal roads.

(iii) Establish criteria for municipal prioritization of stormwater improvements of municipal roads. The Secretary shall base the criteria on the water quality impacts of a stormwater discharge, the current state of a municipal road, the priority of a municipal road or stormwater project in any existing transportation capital plan developed by a municipality, and the benefits of the stormwater improvement to the life of the municipal road.

(iv) Require each municipality to submit to the Secretary and periodically update its implementation plan for stormwater improvements.

(B) The Secretary may require an individual permit for a stormwater improvement at any time under subsection (e) of this section. An individual permit shall include site-specific standards for the stormwater improvement.

(C) All municipalities shall apply for coverage under the municipal road general permit by July 1, 2021.

(D) As used in this subdivision (g)(2), "municipality" means a city, town, or village.

(3) On or before January 1, 2018, the Secretary shall issue a general permit under this section for discharges of stormwater from impervious surface of three or more acres in size, when the stormwater discharge previously was not permitted or was permitted under an individual permit or general permit that did not incorporate the requirements of the 2002 Stormwater Management

Manual or any subsequently adopted Stormwater Management Manual. Under the general permit, the Secretary shall:

(A) Establish a schedule for implementation of the general permit by geographic area of the State. The schedule shall establish the date by which an owner of impervious surface shall apply for coverage under subdivision (g)(3) of this section. The schedule established by the Secretary shall require an owner of impervious surface subject to permitting under this subdivision to obtain coverage by the following dates:

(i) for impervious surface located within the Lake Champlain watershed, no later than October 1, 2023; and

(ii) for impervious surface located within all other watersheds of the State, no later than October 1, 2028.

(B) Establish criteria and technical standards, such as best management practices, for implementation of stormwater improvements for the retrofitting of impervious surface subject to permitting under this subdivision.

(C) Require that a discharge of stormwater from redeveloped or retrofitted impervious surface comply with the applicable standards under subsection (h) of this section related to redevelopment or renewal of impervious surface.

(h) Permit requirements. An individual or general stormwater permit shall:

(1) Be valid for a period of time not to exceed ten years.

(2) For discharges of regulated stormwater to a stormwater impaired water, to Lake Champlain, or to a water that contributes to the impairment of Lake Champlain:

(A) In which no TMDL, watershed improvement permit, or water quality remediation plan has been approved, require that the discharge shall comply with the following discharge standards:

(i) A new discharge or the expanded portion of an existing discharge shall satisfy the requirements of the Stormwater Management Manual and shall not increase the pollutant load in the receiving water for stormwater.

(ii) For redevelopment of or renewal of a permit for existing impervious surface, the discharge shall satisfy on-site the water quality, recharge, and channel protection criteria set forth in the Stormwater Management Manual that are determined to be technically feasible by an engineering feasibility analysis conducted by the Agency and the discharge shall not increase the pollutant load in the receiving water for stormwater.

(B) In which a TMDL or water quality remediation plan has been adopted, require that the discharge shall comply with the following discharge standards:

(i) For a new discharge or the expanded portion of an existing discharge, the discharge shall satisfy the requirements of the Stormwater Management Manual, and the Secretary shall determine that there is sufficient pollutant load allocations for the discharge.

(ii) For redevelopment of or renewal of a permit for existing impervious surface, the Secretary shall determine that there is sufficient pollutant load allocations for the discharge and the Secretary shall include any requirements that the Secretary deems necessary to implement the TMDL or water quality remediation plan.

(3) Contain requirements necessary to comply with the minimum requirements of the rules adopted under this section, the Vermont water quality standards, and any applicable provision of the Clean Water Act.

(4) Allow the use of stormwater impact fees, offsets, and phosphorus credit trading within the watershed of the water to which the stormwater discharges or runs off.

(i) Disclosure of violations. The Secretary may, at his or her discretion and as necessary to assure achievement of the goals of the program and compliance with State law and the federal Clean Water Act, deny an application for the discharge of regulated stormwater under this subsection if review of the applicant's compliance history indicates that the applicant is discharging regulated stormwater in violation of this chapter or is the holder of an expired permit for an existing discharge of regulated stormwater.

(j) Presumption. In any appeal under this chapter, an individual permit issued under subdivisions (c)(1) and (c)(5) of this section shall have a rebuttable presumption in favor of the permittee that the discharge does not cause or contribute to a violation of the Vermont Water Quality Standards for the receiving waters with respect to the discharge of regulated stormwater runoff, provided that the discharge is to a water that is not principally impaired due to stormwater.

Sec. 34. ANR REPORT ON REGULATORY THRESHOLD FOR PERMITTING STORMWATER RUNOFF FROM IMPERVIOUS SURFACES

(a) On or before January 15, 2016, the Secretary of Natural Resources shall submit to the House Committee on Fish, Wildlife and Water Resources and the Senate Committee on Natural Resources and Energy a report regarding whether and how the State should lower from one acre to one-half acre of

impervious surface the regulatory permitting threshold for an operating permit for stormwater runoff from new development, redevelopment, or expansion. The report shall include:

(1) a recommendation as to whether the State should lower the regulatory permitting threshold from one acre to one-half acre of impervious surface;

(2) an estimate of the number of additional development projects that would require an operating permit for stormwater runoff if the regulatory permitting threshold were lowered from one acre to one-half acre of impervious surface;

(3) an estimate of the environmental benefit of reducing the regulatory permitting threshold from one acre to one-half acre of impervious surface;

(4) an estimate of the number of staff that would be needed by the Agency of Natural Resources to effectively implement a stormwater operating permit program with a regulatory permitting threshold of one-half acre of impervious surface; and

(5) a recommendation for regulating construction, redevelopment, or expansion of impervious surface based on a tiered system of acreage, square footage, or other measure.

(b) The definitions provided in 10 V.S.A. § 1264 shall apply to this section.

#### Sec. 35. STORMWATER MANAGEMENT PRACTICES HANDBOOK

On or before January 1, 2016, the Secretary of Natural Resources shall publish as a handbook a suite of practical and cost-effective best management practices for the control of stormwater runoff from the construction, redevelopment, or expansion of impervious surface that does not require a permit under 10 V.S.A. § 1264. The best management practices shall address activities that control, mitigate, or eliminate stormwater runoff to waters of the State. The stormwater management practices shall be voluntary and shall not be mandatory.

\* \* \* Water Quality Data Coordination \* \* \*

Sec. 36. 10 V.S.A. § 1284 is added to read:

#### § 1284. WATER QUALITY DATA COORDINATION

(a) To facilitate attainment or accomplishment of the purposes of this chapter, the Secretary shall coordinate and assess all available data and science regarding the quality of the waters of the State, including:

(1) light detection and ranging information data (LIDAR);

(2) stream gauge data;

(3) stream mapping, including fluvial erosion hazard maps;

(4) water quality monitoring or sampling data;

(5) cumulative stressors on a watershed, such as the frequency an activity is conducted within a watershed or the number of stormwater or other permits issued in a watershed; and

(6) any other data available to the Secretary.

(b) After coordination of the data required under subsection (a) of this section, the Secretary shall:

(1) assess where additional data are needed and the best methods for collection of such data;

(2) identify and map on a watershed basis areas of the State that are significant contributors to water quality problems or are in critical need of water quality remediation or response.

(c) The Secretary shall post all data compiled under this section on the website of the Agency of Natural Resources.

\* \* \* Water Quality Funding; Clean Water Fund; Clean Water Surcharge \* \* \*

Sec. 37. 10 V.S.A. chapter 47, subchapter 7 is added to read:

Subchapter 7. Vermont Clean Water Fund

§ 1387. PURPOSE

The General Assembly establishes in this subchapter a Vermont Clean Water Fund as a mechanism for financing the improvement of water quality in the State. The Clean Water Fund shall be used to:

(1) assist the State in complying with water quality requirements and construction or implementation of water quality projects or programs; and

(2) provide funding to nonprofit organizations, regional associations, and other entities for implementation and administration of community-based water quality programs or projects.

§ 1388. CLEAN WATER FUND

(a) There is created a special fund to be known as the "Clean Water Fund." Notwithstanding any contrary provisions of 32 V.S.A. chapter 7, subchapter 5:

(1) the Fund shall be administered by the Clean Water Fund Board established under section 1389 of this title;

(2) the Fund shall consist of:

(A) Revenues dedicated for deposit into the Fund by the General Assembly, including the surcharge assessed under 32 V.S.A. § 9602a; and

(B) Other gifts, donations, and impact fees received from any source, public or private, dedicated for deposit into the Fund and approved by the Board.

(b) The Clean Water Fund Board shall make recommendations on expenditures from the Fund consistent with the following priorities:

(1) to provide funding to programs and projects to address sources of water pollution in waters listed as impaired under 33 U.S.C. § 1313(d) or waters contributing to a listed impairment;

(2) to provide funding to address water pollution identified as a critical source of water quality pollution;

(3) to provide funding to address or repair conditions that increase the risk of flooding or pose a threat to life or property; and

(4) to provide funding to innovative nutrient removal technologies and community-based methane digesters that utilize manure, wastewater, and food residuals to produce energy.

(c) In the first three years of its existence, the Clean Water Fund Board shall prioritize under subsection (b) of this section recommendation of awards or assistance to municipalities for municipal compliance with the water quality requirements.

(d) Unexpended balances and any earnings shall remain in the Fund from year to year.

#### § 1389. CLEAN WATER FUND BOARD

(a) Creation. There is created a Clean Water Fund Board which shall be attached to the Agency of Administration for administrative purposes.

(b) Organization of the Board. The Clean Water Fund Board shall be composed of:

(1) The Secretary of Administration or designee.

(2) The Secretary of Natural Resources or designee.

(3) The Secretary of Agriculture, Food and Markets or designee.

(4) The Secretary of Commerce and Community Development or designee.

(5) The Secretary of Transportation or designee.

(6) Three members of the public or the House of Representatives appointed by the Speaker of the House, each of whom shall be from separate watersheds of the State. At least one of the members appointed under this subdivision shall be a municipal official.

(7) Three members of the public or the Senate appointed by the Committee on Committees, each of whom shall be from separate watersheds of the State. At least one of the members appointed under this subdivision shall be a municipal official.

(8) Two members of the public appointed by the Governor.

(c) Officers; committees; rules. The Clean Water Fund Board shall annually elect a chair from its members. The Clean Water Fund Board may elect additional officers from its members, establish committees or subcommittees, and adopt procedural rules as necessary and appropriate to perform its work.

(d) Member terms. Members of the Clean Water Fund Board appointed by the Governor shall serve initial terms of three years, members appointed by the Speaker of the House shall serve initial terms of two years, and members appointed by the Committee on Committees shall serve initial terms of one year. Thereafter, each of the above appointed members shall serve a term of three years. A vacancy shall be filled by the appointing authority for the remainder of the unexpired term. An appointed member shall not serve more than three consecutive three-year terms.

(e) Compensation and expense reimbursement.

(1) For attendance at meetings during adjournment of the General Assembly, any legislative members of the Clean Water Fund Board shall be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 406.

(2) Other members of the Board who are not employees of the State of Vermont and who are not otherwise compensated or reimbursed for their attendance shall be entitled to per diem compensation and reimbursement of expenses pursuant to 32 V.S.A. § 1010, to be paid from the budget of the Agency of Administration.

(f) Powers and duties of the Clean Water Fund Board.

(1) The Clean Water Fund Board shall have the following powers and authority:

(A) to receive proposals from the Secretaries of Agriculture, Food, and Markets, of Commerce and Community Development, of Natural Resources, and of Transportation on the expenditures of the Fund;

(B) to make recommendations to the Secretary of Administration regarding the appropriate allocation of funds from the Clean Water Fund for the purposes of developing the State budget; and

(C) to pursue and accept grants, gifts, donations, or other funding from any public or private source and to administer such grants, gifts, donations, or funding consistent with the terms of the grant, gift, or donation.

(2) The Clean Water Fund Board shall develop:

(A) an annual revenue estimate and proposed budget for the Clean Water Fund;

(B) measures for determining progress and effectiveness of expenditures for clean water restoration efforts; and

(C) the annual Clean Water Investment Report required under section 1389 of this title.

(3) The Clean Water Fund Board shall solicit public comment and consult with organizations interested in improving water quality in Vermont.

(g) The Clean Water Fund Board shall have the administrative, technical, and legal assistance of the Agency of Administration, the Agency of Natural Resources, the Agency of Agriculture, Food and Markets, the Agency of Transportation, and the Agency of Commerce and Community Development for those issues or services within the jurisdiction of the respective agency. The cost of the services provided by agency staff shall be paid from the budget of the agency providing the staff services.

#### § 1390. CLEAN WATER INVESTMENT REPORT

Beginning on January 15, 2017, and annually thereafter, the Clean Water Fund Board shall publish a Clean Water Investment Report. The report shall summarize all investments made by the Clean Water Fund Board and other State agencies for clean water restoration over the past calendar year. The report shall include expenditures from the Clean Water Fund, the General Fund, the Transportation Fund, and any other State expenditures for clean water restoration, regardless of funding source. The report shall document progress or shortcomings in meeting established indicators for clean water restoration. The report may also provide an overview of additional funding necessary to meet objectives established for clean water restoration and recommendations for additional revenue to meet those restoration objectives. The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the report required by this section.

Sec. 38. 32 V.S.A. § 9602a is added to read:

#### § 9602a. CLEAN WATER SURCHARGE

There shall be a surcharge of 0.2 percent on the value of property subject to the property transfer tax under section 9602 of this title, except that there shall



be no surcharge on the first \$100,000.00 in value of property to be used for the principal residence of the transferee. The surcharge shall be in addition to any tax assessed under section 9602 of this title. The surcharge assessed under this section shall be paid, collected, and enforced under this chapter in the same manner as the tax assessed under section 9602 of this title. The Commissioner shall deposit the surcharge collected under this section in the Clean Water Fund under 10 V.S.A. § 1388.

Sec. 39. REPEAL OF CLEAN WATER SURCHARGE

32 V.S.A. § 9602a (Clean Water Surcharge) shall be repealed on July 1, 2021.

\* \* \* Secretary of Administration; Report on Per Parcel Fee \* \* \*

Sec. 40. SECRETARY OF ADMINISTRATION REPORT ON A PER  
PARCEL OR IMPERVIOUS SURFACE WATER QUALITY FEE

(a) On or before January 15, 2016, the Secretary of Administration, after consultation with the Department of Taxes, shall submit to the House Committee on Fish, Wildlife and Water Resources, the Senate Committee on Natural Resources and Energy, the House Committee on Agriculture and Forest Products, the Senate Committee on Agriculture, the House Committee on Ways and Means, and the Senate Committee on Finance a recommendation for establishing a fee on parcels of property or impervious surface in the State for the purpose of raising revenue to fund water quality improvement programs in the State. The recommendation shall include:

(1) a tiered per parcel fee or impervious surface fee that provides for equitable apportionment among all property owners, including owners of industrial property, commercial property, residential property, or agricultural lands;

(2) an estimate of the amount of revenue to be generated from the proposed per parcel or impervious surface fee;

(3) a summary of how assessment of the proposed fee will be administered, collected, and enforced; and

(4) a legislative proposal to implement the proposed per parcel or impervious surface fee program.

(b) As used in this section, “parcel” shall have the same meaning as defined in section 4152 of this title.

\* \* \* Department of Environmental Conservation Water Quality Fees \* \* \*

Sec. 41. 3 V.S.A. § 2822 is amended to read:

## § 2822. BUDGET AND REPORT; POWERS

\* \* \*

(i) The Secretary shall not process an application for which the applicable fee has not been paid unless the Secretary specifies that the fee may be paid at a different time or unless the person applying for the permit is exempt from the permit fee requirements pursuant to 32 V.S.A. § 710. ~~In addition, the persons who are exempt under 32 V.S.A. § 710 are also exempt from the application fees for stormwater operating permits specified in subdivisions (j)(2)(A)(iii)(I) and (II) of this section if they otherwise meet the requirements of 32 V.S.A. § 710.~~ Municipalities shall be exempt from the payment of fees under this section except for those fees prescribed in subdivisions (j)(1), ~~(2)~~, (7), (8), (14), and (15) of this section for which a municipality may recover its costs by charging a user fee to those who use the permitted services. Municipalities shall pay fees prescribed in subdivisions (j)(2), (10), (11), and (26), except that a municipality shall also be exempt from those fees for orphan stormwater systems prescribed in subdivisions (j)(2)(A)(iii) and (2)(B)(iv)(I) or (II) of this section when the municipality agrees to become an applicant or co-applicant for an orphan stormwater system under 10 V.S.A. § 1264e for which a municipality has assumed full legal responsibility under 10 V.S.A. § 1264.

(j) In accordance with subsection (i) of this section, the following fees are established for permits, licenses, certifications, approvals, registrations, orders, and other actions taken by the Agency of Natural Resources.

\* \* \*

(2) For discharge permits issued under 10 V.S.A. chapter 47 and orders issued under 10 V.S.A. § 1272, an administrative processing fee of ~~\$120.00~~ \$240.00 shall be paid at the time of application for a discharge permit in addition to any application review fee and any annual operating fee, except for permit applications under subdivisions (2)(A)(iii)(III) and (V) of this subsection:

## (A) Application review fee.

(i) Municipal, industrial, noncontact cooling water, and thermal discharges.

(I) Individual permit: original application; amendment for increased flows; amendment for change in treatment process;	<del>\$0.0023</del> <u>\$0.003</u> per gallon design flow; minimum \$50.00 <u>\$100.00</u> per outfall; maximum
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	30,000.00 per application.
(II) Renewal, transfer, or minor amendment of individual permit-;	<del>\$0.00</del> <u>\$0.002 per gallon design flow; minimum \$50.00 per outfall; maximum \$5,000.00 per application.</u>
(III) General permit-;	<u>\$0.00.</u>
(ii) Pretreatment discharges.	
(I) Individual permit: original application; amendment for increased flows; amendment for change in treatment process-;	<del>\$0.12</del> <u>\$0.20 per gallon design flow; minimum \$50.00 \$100.00 per outfall.</u>
(II) Renewal, transfer, or minor amendment of individual permit-;	<del>\$0.00</del> <u>\$0.002 per gallon design flow; minimum \$50.00 per outfall.</u>
(iii) Stormwater discharges.	
(I) Individual operating permit or application to operate under general operating permit for collected stormwater runoff which is discharged to Class B waters: original application; amendment for increased flows; amendment for change in treatment process-;	<del>\$430.00</del> <u>\$860.00 per acre impervious area; minimum \$220.00 \$440.00 per application.</u>
(II) Individual operating permit or application to operate under general operating permit for collected stormwater runoff which is discharged to Class A waters;	<u>\$1,400.00 per acre impervious area; minimum \$1,400.00 per application.</u>

original application; amendment  
for increased flows; amendment  
for change in treatment process.

(III) Individual permit or  
application to operate under  
general permit for construction  
activities; original application;  
amendment for increased acreage.

(aa) ~~Projects with low risk to~~ Projects with low risk to ~~waters of the State-;~~ waters of the State; greater than  
five acres: ~~\$50.00~~ \$220.00 ~~five acres or~~ per project.  
less: \$100.00 ~~per project;~~ original application.

(bb) ~~Projects with low risk to~~ Projects with low risk to ~~waters of the State; greater than~~ waters of the State; greater than  
five acres: ~~\$220.00~~ \$360.00 ~~per project.~~ per project.

(cc) ~~Projects with moderate risk~~ Projects with moderate risk ~~to waters of the State-;~~ to waters of the State-;  
\$360.00 ~~five acres~~ five acres ~~or less: \$480.00~~ or less: \$480.00 ~~per~~ per  
project original ~~application.~~ application.

(~~cc~~) ~~Projects that require an~~ Projects that require an ~~individual permit.~~ individual permit. ~~\$720.00~~ \$720.00 ~~per project~~ per project  
~~original application.~~ original application.

(dd) ~~Projects with moderate risk~~ Projects with moderate risk ~~to waters of the State; greater~~ to waters of the State; greater  
than five acres: ~~\$640.00.~~ \$640.00.

(ee) ~~Projects that require an~~ Projects that require an ~~individual permit; ten acres~~ individual permit; ten acres  
\$1,200.00. ~~or less:~~ or less:

(ff) ~~Projects that require an~~ Projects that require an ~~individual permit; greater than~~ individual permit; greater than  
10 acres: ~~\$1,800.00.~~ \$1,800.00.

(IV) Individual permit or ~~\$220.00~~ \$440.00 ~~per~~ per

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application to operate under	facility.
general permit for stormwater	
runoff associated with industrial	
activities with specified SIC	
codes; original application;	
amendment for change in activities;:	
(V) Individual permit or	<del>\$1,200.00</del> <u>\$2,400.00</u>
application to operate under	per system.
general permit for stormwater	
runoff associated with	
municipal separate storm sewer	
systems; original application; amendment	
for change in activities;:	
(VI) Individual operating permit or application to operate under	
a general permit for a residually designated stormwater discharge original	
application; amendment; for increased flows amendment; for change in	
treatment process.	
(aa) For discharges to Class B water; <del>\$430.00</del> <u>\$860.00</u> per	
acre of impervious area, minimum <del>\$220.00</del> <u>\$280.00</u> .	
(bb) For discharges to Class A water; <del>\$1,400.00</del> <u>\$1,700.00</u>	
per acre of impervious area, minimum <del>\$1,400.00</del> <u>\$1,700.00</u> .	
(VII) Renewal, transfer, or	\$0.00.
minor amendment of individual	
permit or approval under	
general permit;:	
<u>(VIII) Application for coverage</u>	<u>\$400.00 per application.</u>
<u>under the municipal roads</u>	
<u>stormwater general permit:</u>	
<u>(IX) Application for coverage</u>	<u>\$1,200.00.</u>
<u>under the State roads stormwater</u>	
<u>general permit:</u>	

\* \* \*

## (B) Annual operating fee.

- |  |   |
|--|---|
| (i) Industrial, noncontact cooling water and thermal discharges;   | <del>\$0.004</del> <u>\$0.0015</u> per gallon design capacity. <del>\$150.00</del> <u>\$200.00</u> minimum; maximum \$210,000.00.         |
| (ii) Municipal;  | <del>\$0.003</del> per gallon of <del>actual</del> <u>design</u> flows. <del>\$150.00</del> <u>\$200.00</u> minimum; maximum \$12,500.00. |
| (iii) Pretreatment discharges;   | <del>\$0.0385</del> <u>\$0.04</u> per gallon design capacity. <del>\$150.00</del> <u>\$200.00</u> minimum; maximum \$27,500.00.           |
| (iv) Stormwater.   |   |
| (I) Individual operating permit or approval under general operating permit for collected stormwater runoff which is discharged to class A waters;  | <del>\$255.00</del> <u>\$310.00</u> per acre impervious area; <del>\$235.00</del> <u>\$310.00</u> minimum.                                |
| (II) Individual operating permit or approval under general operating permit for collected stormwater runoff which is discharged to Class B waters; | <del>\$80.00</del> <u>\$120.00</u> per acre impervious area; <del>\$80.00</del> <u>\$120.00</u> minimum.                                  |
| (III) Individual permit or approval under general permit for stormwater runoff from industrial facilities with specified SIC codes;                | <del>\$80.00</del> <u>\$160.00</u> per facility.  |

(IV) Individual permit or application to operate under general permit for stormwater runoff associated with municipal separate storm sewer systems; ~~\$80.00 per system~~ \$10.00 per acre of impervious surface within the municipality; annually.

(V) Individual permit or approval under general permit for residually designated stormwater discharges.

(aa) For discharges to Class A water; ~~\$255.00~~ \$310.00 per acre of impervious area, minimum ~~\$255.00~~ \$310.00.

(bb) For discharges to Class B water; ~~\$80.00~~ \$160.00 per acre of impervious area, minimum ~~\$80.00~~ \$160.00.

(VI) Application to operate under a general permit for stormwater runoff associated with municipal roads: \$2,000.00 per authorization annually.

(VII) Application to operate under a general permit for stormwater runoff associated with State roads: \$90,000.00 per authorization annually.

\* \* \*

(11) For stream alteration and flood hazard area permits issued under 10 V.S.A. ~~chapter chapters 41 and 32: \$225.00 per application.~~

(A) Stream alteration; individual permit: \$350.00.

(B) Stream alteration; general permit; reporting category: \$200.00.

(C) Stream alteration; individual permit; municipal bridge, culvert, and unimproved property protection: \$350.00.

(D) Stream alteration; general permit; municipal bridge, culvert, and unimproved property protection: \$200.00.

(E) Stream alteration; Agency of Transportation reviews; bridge, culvert, and high risk projects: \$350.00.

(F) Flood hazard area; individual permit; State facilities; hydraulic and hydrologic modeling required: \$350.00.

(G) Flood hazard area; individual permit; State facilities; hydraulic and hydrologic modeling not required: \$200.00.

(H) Flood hazard area; municipal reviews; reviews requiring hydraulic and hydrologic modeling, compensatory storage volumetric analysis, or river corridor equilibrium: \$350.00.

(I) Flood hazard area; municipal review; projects not requiring hydraulic or hydrologic modeling: \$200.00.

(J) River corridor; major map amendments: \$350.00.

\* \* \*

(14) For certification of sewage treatment plant operators issued under 10 V.S.A. chapter 47:

(A) original application: ~~\$110.00~~ \$125.00.

(B) renewal application: ~~\$110.00~~ \$125.00.

(15) For sludge or septage facility certifications issued under 10 V.S.A. chapter 159:

(A) land application sites; facilities that further reduce pathogens; disposal facilities:; ~~\$950.00~~ \$1,000.00 per application.

(B) all other types of facilities: ~~\$110.00~~ \$125.00 per application.

\* \* \*

(26) For individual conditional use determinations, for individual wetland permits, for general conditional use determinations issued under 10 V.S.A. § 1272, or for wetland authorizations issued under a general permit, an administrative processing fee assessed under subdivision (2) of this subsection (j) and an application fee of:

(A) \$0.75 per square foot of proposed impact to Class I or II wetlands;

(B) \$0.25 per square foot of proposed impact to Class I or II wetland buffers;

(C) maximum fee, for the conversion of Class II wetlands or wetland buffers to cropland use, \$200.00 per application. ~~For purposes of~~ As used in this subdivision, "cropland" means land that is used for the production of agricultural crops, including row crops, fibrous plants, pasture, fruit-bearing bushes, trees, or vines and the production of Christmas trees;

(D) \$0.25 per square foot of proposed impact to Class I or II wetlands or Class I or II wetland buffer for utility line, pipeline, and ski trail projects when the proposed impact is limited to clearing forested wetlands in a corridor and maintaining a cleared condition in that corridor for the project life;



(E) \$1.50 per square foot of impact to Class I or II wetlands when the permit is sought after the impact has taken place;

(F) \$100.00 per revision to an application for an individual wetland permit or authorization under a general permit when the supplement is due to a change to the project that was not requested by the Secretary; and

(G) minimum fee, \$50.00 per application.

\* \* \*

(33) \$10.00 per 1,000 gallons based on the rated capacity of the tank being pumped rounded to the nearest 1,000 gallon.

\* \* \*

Sec. 42. 32 V.S.A. § 710 is amended to read:

§ 710. PAYMENT OF STATE AGENCY FEES

(a) Notwithstanding any other provision of law, the Agency of Transportation, any cooperating municipalities, and their contractors or agents shall be exempt from the payment of fee charges for reviews, inspections, or nonoperating permits issued by the Department of Public Safety, a District Environmental Commission, and the Agency of Natural Resources for any projects undertaken by or for the Agency and any cooperating municipalities for which all or a portion of the funds are authorized by a legislatively approved transportation construction, rehabilitation, or paving program within a general appropriation act introduced pursuant to section 701 of this title except for those fees established under 3 V.S.A. § 2822(j)(2)(A)(iii), (j)(10), (j)(11), and (j)(26).

(b) Notwithstanding any other provision of law, no fees shall be charged for reviews, inspections, or nonoperating permits issued by the Department of Public Safety, a District Environmental Commission, and the Agency of Natural Resources for:

(1) Any project undertaken by the Department of Buildings and General Services, the Agency of Natural Resources or the Agency of Transportation which is authorized or funded in whole or in part by the capital construction act introduced pursuant to section 701a of this title except for those fees established under 3 V.S.A. § 2822(j)(2)(A)(iii), (j)(10), (j)(11), and (j)(26).

(2) Any project undertaken by a municipality, which is funded in whole or in part by a grant or loan from the Agency of Natural Resources or the Agency of Transportation financed by an appropriation of a capital construction act introduced pursuant to section 701a of this title except for those fees established under 3 V.S.A. § 2822(j)(2)(A)(iii), (j)(7)(A) and (B),

(j)(10), (j)(11), and (j)(26). However, all such fees shall be paid for reviews, inspections, or permits required by municipal solid waste facilities developed by a solid waste district which serves, or is expected to serve, in whole or in part, parties located outside its own district boundaries pursuant to 10 V.S.A. chapter 159.

Sec. 43. APPROPRIATIONS FOR AGENCY OF NATURAL RESOURCES  
STAFF

In addition to any other funds appropriated to the Agency of Natural Resources in fiscal year 2016, there is appropriated from the Environmental Permit Fund created under 3 V.S.A § 2805 to the Agency of Natural Resources \$1,312,556.00 in fiscal year 2016 for the purpose of hiring 13 positions for implementation of the State water quality initiative, including implementation of the total maximum daily load plan for Lake Champlain.

\* \* \* Wastewater Treatment Plants; Financial Assistance for  
Phosphorus Reduction \* \* \*

Sec. 44. 10 V.S.A. § 1266a is amended to read:

§ 1266a. DISCHARGES OF PHOSPHORUS

(a) No person directly discharging into the drainage basins of Lake Champlain or Lake Memphremagog shall discharge any waste that contains a phosphorus concentration in excess of 0.80 milligrams per liter on a monthly average basis. Discharges of less than 200,000 gallons per day, permitted on or before July 1, 1991, shall not be subject to the requirements of this subsection. Discharges from a municipally owned aerated lagoon type secondary sewage treatment plant in the Lake Memphremagog drainage basin, permitted on or before July 1, 1991 shall not be subject to the requirements of this subsection unless the plant is modified to use a technology other than aerated lagoons.

(b) Notwithstanding any provision of subsection (a) of this section to the contrary, the Secretary shall establish effluent phosphorus wasteload allocations or concentration limits within any drainage basin in Vermont, as needed to achieve wasteload allocations in a total maximum daily load document approved by the U.S. Environmental Protection Agency, or as needed to attain compliance with water quality standards adopted by the Secretary pursuant to chapter 47 of this title.

~~(c) The Secretary of Natural Resources shall establish a schedule for municipalities that requires compliance with this section at a rate that corresponds to the rate at which funds are provided under subsection 1625(e) of this title. To the extent that funds are not provided to municipalities eligible~~

~~under that subsection, municipal compliance with this section shall not be required. [Repealed.]~~

Sec. 45. 10 V.S.A. § 1625 is amended to read:

§ 1625. AWARDS FOR POLLUTION ABATEMENT PROJECTS TO ABATE DRY WEATHER SEWAGE FLOWS

(a) When the Department finds that a proposed water pollution abatement project is necessary to maintain water quality standards during dry weather sewage flows, and that the proposed type, kind, quality, size, and estimated cost, including operation cost and sewage disposal charges, of the project are suitable for abatement of pollution, and the project or the prescribed project phases are necessary to meet the intent of the water quality classifications established by the Secretary or by statute under chapter 47 of this title, the Department may award to municipalities a State assistance grant of up to 25 percent of the eligible project cost, provided that in no case shall the total of the State and federal grants exceed 90 percent of the eligible project costs:

(1) except that the 90 percent limitation shall not apply when the municipality provides, as their local share, federal funds allocated to them for the purpose of matching other federal grant programs having a matching requirement; and

(2) except that the total of state and federal grants issued under P.L. 92-500 section 202(a)(2) may equal up to 95 percent of the eligible costs for innovative or alternative wastewater treatment processes and techniques.

(b) In carrying out the purposes of this subchapter, the Department shall define the purpose and scope of an eligible project, including a determination of the area to be served, type of treatment, effluent limitations, eligible construction costs, cost accounting procedures and methods and other such project construction, operation and fiscal elements necessary to meet federal aid requirements. The Department shall, as a part of the administration of this grant program, encourage municipalities to undertake capital development planning and to establish water and sewer charges along public utility concepts.

(c) Any municipality having proceeded with construction of facilities with a State grant of 25 percent since July 1, 1984 shall be eligible for an increase in the State grant to a total of 35 percent of the eligible project costs.

(d) The Department may award a State assistance grant of up to 50 percent of the eligible costs of an approved pollution abatement project or a portion thereof not eligible for federal financial assistance in a municipality that is certified by the Secretary of Commerce and Community Development to be within the designated job development zone. To achieve the objectives of

chapter 29, subchapter 2 of this title, the eligibility and priority provisions of this chapter do not apply to municipalities within a designated job development zone.

~~(e) If the Department finds that a proposed municipal water pollution control project is necessary to reduce effluent phosphorus concentration or mass loading to the level required in section 1266a of this title, the Department shall award to the municipality, subject to the availability of funds, a state assistance grant. Such grants shall be for 100 percent of the eligible project cost. This funding shall not be available for phosphorus removal projects where the effluent concentration must be reduced in order to maintain a previously permitted mass loading of phosphorus. [Repealed.]~~

\* \* \* Acceptable Management Practices for Maintaining Water Quality on Logging Jobs in Vermont \* \* \*

Sec. 46. 10 V.S.A. § 2622 is amended to read:

§ 2622. RULES; HARVESTING TIMBER; FORESTS; ACCEPTABLE MANAGEMENT PRACTICES FOR MAINTAINING WATER QUALITY

(a) Silvicultural practices. The ~~commissioner~~ Commissioner shall adopt rules to establish methods by which the harvest and utilization of timber in private and public ~~forest land~~ forestland will be consistent with continuous forest growth, including reforestation, will prevent wasteful and dangerous forestry practices, will regulate heavy cutting, will encourage good forestry management, will enable and assist landowners to practice good forestry management, and will conserve the natural resources consistent with the purposes and policies of this chapter, giving due consideration to the need to assure continuous supplies of forest products and to the rights of the owner or operator of the land. Such rules adopted under this subsection shall be advisory, and not mandatory except that the rules adopted under section 2625 of this title for the regulation of heavy cutting shall be mandatory as shall other rules specifically authorized to be mandatory.

(b) Acceptable management practices. On or before March 1, 2016, the Commissioner shall revise by rule the acceptable management practices for maintaining water quality on logging jobs in Vermont. The revised acceptable management practices shall be designed to ensure that all logging operations, on both public and private forestland, are designed to: prevent or minimize discharges of sediment, petroleum products, and woody debris (logging slash) from entering streams and other bodies of water; protect aquatic habitat and aquatic wildlife; and prevent erosion and maintain natural water temperature. The purpose of the acceptable management practices is to provide a guide for loggers, foresters, and landowners to design logging operations to comply with

the Vermont Water Quality Standards and minimize the potential for a discharge from logging operations in Vermont in accordance with section 1259 of this title.

Sec. 47. DEPARTMENT OF FORESTS, PARKS AND RECREATION  
REPORT; ACCEPTABLE MANAGEMENT PRACTICES;  
MAPLE SYRUP PRODUCTION UNDER USE VALUE  
APPRAISAL

On or before March 1, 2016, the Commissioner of Forests, Parks and Recreation shall submit to the House Committee on Fish, Wildlife and Water Resources, the Senate Committee on Natural Resources and Energy, and the House Committee on Natural Resources and Energy a recommendation and supporting basis as to whether:

(1) the acceptable management practices for maintaining water quality on logging jobs in Vermont should be mandatory for all logging operations on public and private forestland; and

(2) whether maple syrup production on forestland should be required to enroll in the use value appraisal program under 32 V.S.A. chapter 124 as managed forestland and not agricultural land.

Sec. 48. 10 V.S.A. § 1259(f) is amended to read:

(f) The provisions of subsections (c), (d), and (e) of this section shall not regulate accepted agricultural ~~or silvicultural~~ practices, as ~~such are defined adopted by rule by the secretary of agriculture, food and markets and the commissioner of forests, parks and recreation, respectively, after an opportunity for a public hearing~~ Secretary of Agriculture, Food and Markets, or the acceptable management practices for maintaining water quality on logging jobs in Vermont, as adopted by the Commissioner of Forests, Parks and Recreation; nor shall these provisions regulate discharges from concentrated animal feeding operations that require a permit under section 1263 of this title; nor shall those provisions prohibit stormwater runoff or the discharge of nonpolluting wastes, as defined by the ~~secretary~~ Secretary.

Sec. 49. 24 V.S.A. § 4413(d) is amended to read:

(d) A bylaw under this chapter shall not regulate accepted agricultural ~~and silvicultural~~ practices, including the construction of farm structures, as those practices are defined by the ~~secretary of agriculture, food and markets~~ Secretary of Agriculture, Food and Markets or the ~~commissioner of forests, parks and recreation~~ accepted silvicultural activities, including acceptable management practices for maintaining water quality on logging jobs in

Vermont as adopted by the Commissioner of Forests, Parks and Recreation, respectively, under 10 V.S.A. §§ ~~1021(f) and 1259(f)~~ § 2622 and 6 V.S.A. § 4810.

\* \* \* Eligibility for Ecosystem Restoration Program Assistance \* \* \*

Sec. 50. ECOSYSTEM RESTORATION PROGRAM; CLEAN WATER FUND; ELIGIBILITY FOR FINANCIAL ASSISTANCE

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

\* \* \* Effective Dates \* \* \*

Sec. 51. EFFECTIVE DATES

This act shall take effect on July 1, 2015, except that:

(1) Sec. 4 (small farm certification) shall take effect on July 1, 2017;

(2) 6 V.S.A. § 4988(b) of Sec. 19 shall take effect 45 days after the effective date of rules adopted under 6 V.S.A. § 4988(a).

(3) In Sec. 33, the permit requirements under 10 V.S.A. § 1264(h)(2) for discharges of regulated stormwater to Lake Champlain or to a water that contributes to the impairment of Lake Champlain shall take effect on October 1, 2015.

(4) Sec. 37 (Clean Water Fund) shall take effect on passage.

Pending the question, Shall the House amend the bill as recommended by the committee on Fish, Wildlife and Water Resources, **Rep. Higley of Lowell** moved to amend the report of the committee on Fish, Wildlife and Water Resources as follows:

By adding Secs. 5a and 5b to read as follows:

Sec. 5a. 32 V.S.A. § 9741(25) is amended to read:

(25) Sales of agricultural machinery and equipment for use and consumption directly and exclusively, except for isolated or occasional uses, in the production for sale of tangible personal property on farms (including stock, dairy, poultry, fruit, and truck farms), orchards, nurseries, or in greenhouses or other similar structures used primarily for the raising of agricultural or

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horticultural commodities for sale. It shall be rebuttably presumed that machinery and equipment will be used in the production for sale of tangible personal property on farms and will not be an isolated or occasional use, if the purchaser of the machinery or equipment is the owner or operator of a farm required to be permitted or certified under 6 V.S.A. chapter 215. It shall be rebuttably presumed that uses are not isolated or occasional if they total more than four percent of the time the machinery or equipment is operated.

Sec. 5b. 32 V.S.A. § 3752(7) is amended to read:

(7) "Farmer" means a person:

(A) who earns at least one-half of the farmer's annual gross income from the business of farming as that term is defined in Regulation 1.175-3 issued under the Internal Revenue Code of 1986; or

(B)(i) who produces farm crops that are processed in a farm facility situated on land enrolled by the farmer in a use value appraisal program or on a housesite adjoining the enrolled land;

(ii) whose gross income from the sale of the processed farm products pursuant to subdivision (i) of this subdivision (B), when added to other gross income from the business of farming as used in subdivision (A) of this subdivision (7), equals at least one-half of the farmer's annual gross income; and

(iii) who produces on the farm a minimum of 75 percent of the farm crops processed in the farm facility;

(C) who owns or operates a farm required to be permitted or certified under 6 V.S.A. chapter 215.

(D) The Agency of Agriculture, Food and Markets shall assist the director in making determinations of eligibility pursuant to subdivision (B) of this subdivision (7).

Thereupon, **Rep. Higley of Lowell** asked and was granted leave of the House to withdraw his amendment.

Pending the recurring question, Shall the bill be amended as recommended by the committee on Fish, Wildlife and Water Resources? **Rep. Browning of Arlington** moved to amend the report of the committee on Fish, Wildlife and Water Resources as follows:

By adding a Sec. 50c to read:

\* \* \* Economic Development Assistance; Water Quality Compliance \* \* \*

Sec. 50c. 10 V.S.A. § 7 is amended to read:

§ 7. ECONOMIC DEVELOPMENT; ASSISTANCE AND INCENTIVES  
BENCHMARK REPORTS

(a) ~~For purposes of~~ As used in this section, “economic development assistance recipient” means any business entity, including a for-profit corporation, a nonprofit corporation, a partnership, or a sole proprietorship that receives economic development assistance from ~~state~~ State funds administered by a governmental agency, from ~~state~~ State funds administered by a private entity, or from federal funds administered by the ~~state~~ State, whether such assistance is in the form of a grant, a loan, a ~~state~~ State tax abatement, a tax credit, a tax increment financing program, or such other form of economic development assistance or incentive as the ~~secretary of commerce and community development~~ Secretary of Commerce and Community Development may identify by rule.

(b) Each economic development recipient shall state, on a form approved by the agency granting assistance, or awarding a tax credit or abatement, or approving any other form of economic development assistance, the number of new jobs that will be created or existing jobs that will be retained as a result of such assistance, the wages and employee benefits associated with such jobs, and a description of any other public benefits associated with such economic development assistance. Such statement shall be made prior to any such grant, award, or approval. Such statements and the information contained therein shall not be available for public inspection until 90 days after the granting of assistance, or the awarding of a tax credit or abatement, or the approving any other form of economic development assistance or incentive. After the expiration of such ~~90-day~~ 90-day period such statements and information shall not be considered confidential, and may be inspected and copied pursuant to 1 V.S.A. chapter 5, subchapter 3, chapter 5 of Title 1 (public records law), notwithstanding the provisions of any other law.

(c) Each economic development recipient shall report annually, in a manner and on a form prescribed by the ~~commissioner of economic development~~ Commissioner of Economic Development, the amount or monetary value of economic assistance or incentive granted, awarded or approved, and such information as is necessary to determine whether the recipient has reached its job creation or other public benefit goals stated pursuant to subsection (b) of this section.



(d) ~~The commissioner of economic development~~ Commissioner of Economic Development shall adopt such rules as are necessary to carry out the purposes of this section.

(e)(1) Each applicant for economic development assistance shall identify on the application for economic development assistance whether the applicant, any property owned by the applicant, or the project to be funded by economic development assistance is located in a watershed of the State that is impaired due to phosphorus, nutrients, or sediment. If an applicant, any property owned by the applicant, or the project to be funded by economic development assistance is located in a watershed of the State that is listed by the Agency of Natural Resources under 33 U.S.C. § 1313 as impaired due to phosphorus, nutrients, or sediment, the applicant shall certify that:

(A) the applicant is in good standing with the with the Agency of Natural Resources and the Agency of Agriculture, Food and Markets; and

(B) all entities or land owned and controlled by the applicant is operated or managed in compliance with the Vermont water quality standards.

(2) As used in this section:

(A) “Economic development assistance” includes grants or loans from a water quality program administered by the Agency of Agriculture, Food and Markets, the Agency of Commerce and Community Development, or the Agency of Natural Resources. “Economic development assistance” shall not mean grants, awards, or other assistance funded by disbursements from the Clean Water Fund established under section 1388 of this title.

(B) “Good standing” means the applicant:

(i) does not have an active enforcement violation that has reached a final order with the Secretary of Natural Resources or the Secretary of Agriculture, Food and Markets; or

(ii) is in compliance with all terms of a current permit, license, grant agreement, or contract with the Agency of Natural Resources or the Agency of Agriculture, Food and Markets.

Thereupon, **Rep. Browning of Arlington** asked and was granted leave of the House to withdraw her amendment.

Pending the recurring question, Shall the House amend the report of the committee on Fish, Wildlife and Water Resources? **Rep. Browning of Arlington** moved to amend the report of the committee on Fish, Wildlife and Water Resources as follows:

First: In Sec. 33, 10 V.S.A. § 1264, by striking out subdivision (c)(6) in its entirety and inserting in lieu thereof the following:

(6)(A) In accordance with the schedule established under subdivision (g)(2) of this section, a municipality shall not discharge stormwater from a municipal road without first obtaining:

(i) an individual permit;

(ii) coverage under a municipal road general permit; or

(iii) coverage under a municipal separate stormsewer system permit that implements the technical standards and criteria established by the Secretary for stormwater improvements of municipal roads.

(B) As used in this subdivision, “municipality” means a city, town, or village located in a watershed listed as impaired by the Agency of Natural Resources under 33 U.S.C. § 1313 due to phosphorus, nutrients, or sediment.

and by striking out subdivision (g)(2)(D) in its entirety and inserting in lieu thereof the following:

(D) As used in this subdivision (g)(2), “municipality” means a city, town, or village located in a watershed listed as impaired by the Agency of Natural Resources under 33 U.S.C. § 1313 due to phosphorus, nutrients, or sediment.

Second: In Sec. 41, 3 V.S.A. § 2822, by striking out subsection (i) in its entirety and inserting in lieu thereof the following:

(i) The Secretary shall not process an application for which the applicable fee has not been paid unless the Secretary specifies that the fee may be paid at a different time or unless the person applying for the permit is exempt from the permit fee requirements pursuant to 32 V.S.A. § 710. ~~In addition, the persons who are exempt under 32 V.S.A. § 710 are also exempt from the application fees for stormwater operating permits specified in subdivisions (j)(2)(A)(iii)(I) and (II) of this section if they otherwise meet the requirements of 32 V.S.A. § 710.~~ Municipalities that are not located in a watershed listed by the Agency of Natural Resources under 33 U.S.C. § 1313 as impaired due to phosphorus, nutrients, or sediment shall be exempt from the payment of fees under this section except for those fees prescribed in subdivisions (j)(1), (2), (7), (8), (14), and (15) of this section for which a municipality may recover its costs by charging a user fee to those who use the permitted services. Municipalities that are located in a watershed listed by the Agency of Natural Resources under 33 U.S.C. § 1313 as impaired due to phosphorus, nutrients, or sediment shall pay fees prescribed in subdivisions (j)(2), (10), (11), and (26), except that a municipality shall also be exempt from those fees for ~~orphan~~ stormwater

~~systems prescribed in subdivisions (j)(2)(A)(iii) and (2)(B)(iv)(I) or (II) of this section when the municipality agrees to become an applicant or co-applicant for an orphan stormwater system under 10 V.S.A. § 1264e for which a municipality has assumed full legal responsibility under 10 V.S.A. § 1264.~~

Third: By striking Sec. 42 in its entirety and inserting in lieu thereof the following:

Sec. 42. 32 V.S.A. § 710 is amended to read:

§ 710. PAYMENT OF STATE AGENCY FEES

(a) Notwithstanding any other provision of law, the Agency of Transportation, any cooperating municipalities, and their contractors or agents shall be exempt from the payment of fee charges for reviews, inspections, or nonoperating permits issued by the Department of Public Safety, a District Environmental Commission, and the Agency of Natural Resources for any projects undertaken by or for the Agency and any cooperating municipalities for which all or a portion of the funds are authorized by a legislatively approved transportation construction, rehabilitation, or paving program within a general appropriation act introduced pursuant to section 701 of this title, except that the Agency of Transportation, any cooperating municipality located in a watershed listed by the Agency of Natural Resources under 33 U.S.C. § 1313 as impaired due to phosphorus, nutrients, or sediment, and their contractors or agents shall pay the fees established under 3 V.S.A. § 2822(j)(2)(A)(iii), (j)(10), (j)(11), and (j)(26).

(b) Notwithstanding any other provision of law, no fees shall be charged for reviews, inspections, or nonoperating permits issued by the Department of Public Safety, a District Environmental Commission, and the Agency of Natural Resources for:

(1) Any project undertaken by the Department of Buildings and General Services, the Agency of Natural Resources or the Agency of Transportation which is authorized or funded in whole or in part by the capital construction act introduced pursuant to section 701a of this title, except for those fees established under 3 V.S.A. § 2822(j)(2)(A)(iii), (j)(10), (j)(11), and (j)(26).

(2) Any project undertaken by a municipality, which is funded in whole or in part by a grant or loan from the Agency of Natural Resources or the Agency of Transportation financed by an appropriation of a capital construction act introduced pursuant to section 701a of this title, except that a municipality located in a watershed impaired due to phosphorus, nutrients, or sediment shall pay the fees established under 3 V.S.A. § 2822(j)(2)(A)(iii), (j)(7)(A) and (B), (j)(10), (j)(11), and (j)(26). However, all such fees shall be paid for reviews, inspections, or permits required by municipal solid waste

facilities developed by a solid waste district which serves, or is expected to serve, in whole or in part, parties located outside its own district boundaries pursuant to 10 V.S.A. chapter 159.

Thereupon, **Rep. Browning of Arlington** asked and was granted leave of the House to withdraw her amendment.

Pending the recurring question, Shall the bill be amended as recommended by the committee on Fish, Wildlife and Water Resources? **Rep. Browning of Arlington** moved to amend the report of the committee on Fish, Wildlife and Water Resources as follows:

By adding Secs. 49a and 49b to read as follows:

\* \* \* Tax Exemptions; Water Quality Impacts \* \* \*

Sec. 49a. 32 V.S.A. § 5401(10) is amended to read:

(10) “Nonresidential property” means all property except:

(A) Property which is exempt from the municipal property tax by law and not by vote of the municipality.

(B) Property which is subject to the tax on railroads imposed by subchapter 2 of chapter 211 of this title, the tax on telephone companies imposed by subchapter 6 of chapter 211 of this title, or the tax on electric generating plants imposed by chapter 213 of this title.

(C) Homesteads declared in accordance with section 5410 of this title.

(D) Personal property, machinery, inventory and equipment, ski lifts, and snow-making equipment for a ski area; provided, ~~however, that:~~

(i) prior to claiming an exemption under this subdivision, the owner or operator of a ski area located in a watershed listed by the Agency of Natural Resources as impaired under 33 U.S.C. § 1313 shall certify that he or she and all land owned or controlled by the ski area is operated or managed in accordance with the Vermont Water Quality Standards, does not have an active enforcement violation that has reached a final order with the Agency of Natural Resources, and is in compliance with all terms and conditions of a current permit issued by the Agency of Natural Resources;

(ii) this subdivision shall not exclude from the definition of “nonresidential property” the following real or personal property:

(i) utility cables and lines, poles, and fixtures (except those taxed under subchapter 6 of chapter 211 of this title); provided that utility cables, lines, poles, and fixtures located on homestead property and owned by the person claiming the homestead shall be taxed as homestead property;

(ii)(II) gas distribution lines (except aboveground meters, regulators and gauges, and leased water heaters are excluded personal property).

\* \* \*

Sec. 49b. 32 V.S.A. § 9741 is amended to read:

§ 9741. SALES NOT COVERED

Retail sales and use of the following shall be exempt from the tax on retail sales imposed under section 9771 of this title and the use tax imposed under section 9773 of this title.

\* \* \*

(3) Agriculture feeds, seed, plants, baler twine, silage bags, agricultural wrap, sheets of plastic for bunker covers, liming materials, breeding and other livestock, semen breeding fees, baby chicks, turkey poults, agriculture chemicals other than pesticides, veterinary supplies, and bedding; ~~and fertilizers and pesticides~~ for use and consumption directly in the production for sale of tangible personal property on farms, including stock, dairy, poultry, fruit and truck farms, orchards, nurseries, or in greenhouses or other similar structures used primarily for the raising of agricultural or horticultural commodities for sale.

Thereupon, **Rep. Browning of Arlington** asked and was granted leave of the House to withdraw her amendment.

Thereupon, **Rep. Hubert of Milton** asked that the question be divided and Secs. 1-6, 8, 12, 14-37, 43-51 be voted on first and the remaining sections be voted on second.

Pending the question, Shall the House amend the bill as proposed by the Committee on Fish, Wildlife and Water Resources in the first instances of amendment (sections 1-6, 8, 12, 14-37, 43-51)? **Rep. Hubert of Milton** demanded the Yeas and Nays, which demand was sustained by the Constitutional number. The Clerk proceeded to call the roll and the question, Shall the House amend the bill as proposed by the Committee on Fish, Wildlife and Water Resources in the first instances of amendment (sections 1-6, 8, 12, 14-37, 43-51)? was decided in the affirmative. Yeas, 142. Nays, 0.

Those who voted in the affirmative are:

Ancel of Calais	Beck of St. Johnsbury	Branagan of Georgia
Bancroft of Westford	Berry of Manchester	Brennan of Colchester
Bartholomew of Hartland	Beyor of Highgate	Briglin of Thetford
Baser of Bristol	Bissonnette of Winooski	Browning of Arlington
Batchelor of Derby	Botzow of Pownal	Burke of Brattleboro

Buxton of Tunbridge	Higley of Lowell	Pearson of Burlington
Canfield of Fair Haven	Hooper of Montpelier	Poirier of Barre City
Carr of Brandon	Hubert of Milton	Potter of Clarendon
Chesnut-Tangerman of Middletown Springs	Huntley of Cavendish	Pugh of South Burlington
Christie of Hartford	Jerman of Essex	Purvis of Colchester
Clarkson of Woodstock	Jewett of Ripton	Quimby of Concord
Cole of Burlington	Johnson of South Hero	Rachelson of Burlington
Condon of Colchester	Juskiewicz of Cambridge	Ram of Burlington
Connor of Fairfield	Keenan of St. Albans City	Russell of Rutland City
Conquest of Newbury	Klein of East Montpelier	Ryerson of Randolph
Copeland-Hanzas of Bradford	Komline of Dorset	Savage of Swanton
Corcoran of Bennington	Krebs of South Hero	Scheuermann of Stowe
Cupoli of Rutland City	Krowinski of Burlington	Sharpe of Bristol
Dakin of Chester	LaClair of Barre Town	Shaw of Pittsford
Dakin of Colchester	Lalonde of South Burlington	Shaw of Derby
Dame of Essex	Lanpher of Vergennes	Sheldon of Middlebury
Davis of Washington	Lawrence of Lyndon	Sibilia of Dover
Deen of Westminster *	Lefebvre of Newark	Smith of New Haven
Devereux of Mount Holly	Lenes of Shelburne	Stevens of Waterbury
Dickinson of St. Albans Town	Lewis of Berlin	Strong of Albany
Donahue of Northfield	Lippert of Hinesburg	Stuart of Brattleboro
Eastman of Orwell	Lucke of Hartford	Sullivan of Burlington
Ellis of Waterbury	Macaig of Williston	Sweaney of Windsor
Emmons of Springfield	Manwaring of Wilmington	Tate of Mendon
Evans of Essex	Marcotte of Coventry	Terenzini of Rutland Town
Fagan of Rutland City	Martel of Waterford	Till of Jericho
Feltus of Lyndon	Martin of Wolcott	Toleno of Brattleboro
Fiske of Enosburgh	Masland of Thetford	Toll of Danville
Forguites of Springfield	McCormack of Burlington	Townsend of South Burlington
Frank of Underhill	McCullough of Williston	Trieber of Rockingham
French of Randolph	McFaun of Barre Town	Troiano of Stannard
Gage of Rutland City	Miller of Shaftsbury	Turner of Milton *
Gamache of Swanton	Morris of Bennington	Van Wyck of Ferrisburgh
Gonzalez of Winooski	Morrissey of Bennington	Viens of Newport City
Grad of Moretown	Mrowicki of Putney	Walz of Barre City
Graham of Williamstown	Murphy of Fairfax	Webb of Shelburne
Greshin of Warren	Myers of Essex	Willhoit of St. Johnsbury
Haas of Rochester	Nuovo of Middlebury	Woodward of Johnson
Head of South Burlington	Olsen of Londonderry	Wright of Burlington
Hebert of Vernon	O'Sullivan of Burlington	Yantachka of Charlotte
Helm of Fair Haven	Parent of St. Albans City	Young of Glover
	Partridge of Windham	Zagar of Barnard
	Patt of Worcester	
	Pearce of Richford	

Those who voted in the negative are:

none

Those members absent with leave of the House and not voting are:

Burditt of West Rutland	Kitzmiller of Montpelier	O'Brien of Richmond
Donovan of Burlington	Long of Newfane	
Fields of Bennington	McCoy of Poultney	

**Rep. Deen of Westminster** explained his vote as follows:

“Mr. Speaker:

We, all of us, just did the easy vote. Now it is time for us to put our money where our mouth is. We say we want clean water – are we willing to pay for it?”

**Rep. Turner of Milton** explained his vote as follows:

”Mr. Speaker:

Cleaning up VT’s waters is a priority for everyone. However, we have different ideas on how and who should pay for it. Thank you.”

Pending the question, Shall the House amend the bill as proposed by the Committee on Fish, Wildlife and Water Resources in the remaining sections?

**Rep. Deen of Westminster** demanded the Yeas and Nays, which demand was sustained by the Constitutional number.

### Recess

At six o'clock and nineteen minutes in the evening, the Speaker declared a recess until the fall of the gavel.

At six o'clock and fifty-three minutes in the evening, the Speaker called the House to order.

### Consideration Resumed; Bill Amended and Third Reading Ordered

#### H. 35

Consideration resumed on House bill, entitled

An act relating to improving the quality of State waters;

Pending the call of the roll, **Reps. Dickinson of St. Albans Town and Parent of St. Albans City** moved to substitute an amendment for the remaining sections of the recommendation of amendment offered by the committee on Fish, Wildlife and Water Resources as follows:

First: In Sec. 37, by striking 10 V.S.A. §§ 1387 and 1388 (Clean Water Fund), including the reader assistance preceding Sec. 37, in their entirety and inserting in lieu thereof the following:

\* \* \* Water Quality Funding; Clean Water Fund; Property Transfer Tax \* \* \*

§ 1387. PURPOSE

The General Assembly establishes in this subchapter a Vermont Clean Water Fund as a mechanism for financing the improvement of water quality in the State. The Clean Water Fund shall be used to:

(1) assist the State in complying with water quality requirements and construction or implementation of water quality projects or programs;

(2) provide necessary funding for staff programs of the Agency of Natural Resources and the Agency of Agriculture, Food and Markets; and

(3) provide funding to nonprofit organizations, regional associations, and other entities for implementation and administration of community-based water quality programs or projects.

§ 1388. CLEAN WATER FUND

(a) There is created a special fund to be known as the "Clean Water Fund." Notwithstanding any contrary provisions of 32 V.S.A. chapter 7, subchapter 5:

(1) the Fund shall be administered by the Clean Water Fund Board established under section 1389 of this title;

(2) the Fund shall consist of:

(A) revenues dedicated for deposit into the Fund by the General Assembly, including 25 percent of the revenue from the property transfer tax deposited under 32 V.S.A. chapter 231; and

(B) other gifts, donations, and impact fees received from any source, public or private, dedicated for deposit into the Fund and approved by the Board.

(b) The Clean Water Fund Board shall make recommendations on expenditures from the Fund consistent with the following priorities:

(A) First priority shall be given to proposed projects or programs to address areas of high risk of pollution or high loading of sediment in Lake Champlain.

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

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

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



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

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

(c) In the first three years of its existence, the Clean Water Fund Board shall prioritize under subsection (b) of this section recommendation of awards or assistance to municipalities for municipal compliance with the water quality requirements.

(d) Unexpended balances and any earnings shall remain in the Fund from year to year.

Second: By striking Secs. 38 and 39 in their entirety (Clean Water Surcharge; repeal) and inserting in lieu thereof the following:

Sec. 38. 32 V.S.A. § 9610(c) is amended to read:

(c) Prior to distributions of property transfer tax revenues under 10 V.S.A. §§ 312; and 1389, 24 V.S.A. § 4306(a), and ~~32 V.S.A. § subdivision 435(b)(10) of this title~~, two percent of the revenues received from the property transfer tax shall be deposited in a special fund in the Department of Taxes for Property Valuation and Review administration costs. Up to one-half of the funds deposited in a special fund under this subsection shall be used for the purpose of administering the current use value program electronically.

Sec. 38a. 2011 Acts and Resolves No. 45, Sec. 35 is amended to read:

Sec. 35. 32 V.S.A. § 9610(c) is amended to read:

(c) Prior to distributions of property transfer tax revenues under 10 V.S.A. §§ 312; and 1389, 24 V.S.A. § 4306(a), and ~~32 V.S.A. § subdivision 435(b)(10) of this title~~, ~~two~~ one percent of the revenues received from the property transfer tax shall be deposited in a special fund in the ~~tax department~~ Department of Taxes for property valuation and review Property Valuation and Review administration costs. ~~Up to one-half of the funds deposited in a special under this subsection shall be used for the purpose of administering the current use value program electronically.~~

Sec. 39. 10 V.S.A. § 312 is amended to read:

## § 312. CREATION OF VERMONT HOUSING AND CONSERVATION TRUST FUND

There is created a special fund in the ~~state treasury~~ State Treasury to be known as the “~~Vermont housing and conservation trust fund~~ Housing and Conservation Trust Fund.” The ~~fund~~ Fund shall be administered by the ~~board~~ Board and expenditures therefrom shall only be made to implement and effectuate the policies and purposes of this chapter. The ~~fund~~ Fund shall be

~~comprised~~ composed of ~~50~~ 35 percent of the revenue from the property transfer tax under 32 V.S.A. chapter 231 ~~of Title 32~~ and any ~~moneys~~ monies from time to time appropriated to the ~~fund~~ Fund by the ~~general assembly~~ General Assembly or received from any other source, private or public, approved by the ~~board~~ Board. Unexpended balances and any earnings shall remain in the ~~fund~~ Fund for use in accord with the purposes of this chapter.

Sec. 39a. 24 V.S.A. § 4306(a) is amended to read:

(a)(1) A Municipal and Regional Planning Fund for the purpose of assisting municipal and regional planning commissions to carry out the intent of this chapter is hereby created in the State Treasury.

(2) The Fund shall be comprised of ~~17~~ 15 percent of the revenue from the property transfer tax under 32 V.S.A. chapter 231 and any monies from time to time appropriated to the Fund by the General Assembly or received from any other source, private or public. All balances at the end of any fiscal year shall be carried forward and remain in the Fund. Interest earned by the Fund shall be deposited in the Fund.

(3) Of the revenues in the Fund, each year:

(A) 10 percent shall be disbursed to the Vermont Center for Geographic Information;

(B) 70 percent shall be disbursed to the Secretary of Commerce and Community Development for performance contracts with regional planning commissions to provide regional planning services pursuant to section 4341a of this title; and

(C) 20 percent shall be disbursed to municipalities.

Sec. 39b. 32 V.S.A. § 435(b) is amended to read:

(b) The General Fund shall be composed of revenues from the following sources:

\* \* \*

(10) ~~33~~ 25 percent of the revenue from the property transfer taxes levied pursuant to chapter 231 of this title and the revenue from the gains taxes levied each year pursuant to chapter 236 of this title;

\* \* \*

Third: In Sec. 4, in 6 V.S.A. 4871, by striking subsection (h) (small farm fees) in its entirety

Fourth: By striking Secs. 7 (small farm fee fiscal years 2016 and 2017), 8 (Agricultural Water Quality Special Fund), and 9 (large farm permit fee),

including the reader assistance associated with these sections, in their entirety and inserting in lieu thereof the following:

Sec. 7. [Deleted.]

Sec. 8. [Deleted.]

Sec. 9. [Deleted.]

Fifth: In Sec. 10, 6 V.S.A. § 4858, by striking out subsection (e) (medium farm permit fee) in its entirety

Sixth: By striking out Sec. 11 (commercial feed fee) in its entirety and inserting in lieu thereof the following:

Sec. 11. [Deleted.]

Seventh: By striking out Secs. 13 (nonagricultural fertilizer fee) and 14 (economic poison fee) in their entirety and inserting in lieu thereof the following:

Sec. 13. [Deleted.]

Sec. 14. [Deleted.]

Eighth: By striking out Sec. 15 (Agency of Agriculture, Food and Markets; appropriations) in its entirety and inserting in lieu thereof the following:

Sec. 15. APPROPRIATIONS FOR AGENCY OF AGRICULTURE, FOOD AND MARKETS STAFF

In addition to any other funds appropriated to the Agency of Agriculture, Food and Markets in fiscal year 2016, there is appropriated from the Clean Water Fund created under 10 V.S.A. § 1388 to the Agency \$1,056,000.00 in fiscal year 2016 for the purpose of hiring seven positions for implementation and administration of agricultural water quality programs in the State.

Ninth: By striking out Secs. 41, 42, and 43 (DEC fees; appropriations) in their entirety, including the reader assistance associated with these sections, and inserting in lieu thereof the following:

\* \* \* Agency of Natural Resources Appropriations and Staffing \* \* \*

Sec. 41. APPROPRIATIONS FOR AGENCY OF NATURAL RESOURCES STAFF

In addition to any other funds appropriated to the Agency of Natural Resources in fiscal year 2016, there is appropriated from the Clean Water Fund created under 10 V.S.A § 1388 to the Agency of Natural Resources \$1,312,556.00 in fiscal year 2016 for the purpose of hiring 13 positions for implementation of the State water quality initiative, including implementation of the total maximum daily load plan for Lake Champlain.

Sec. 42. [Deleted.]

Sec. 43. [Deleted.]

Pending the question, Shall the amendment proposed by Rep. Dickinson of St. Albans Town and others be substituted for the second instance of

amendment (Committee Report of Fish, Wildlife and Water Resources in Sections 7, 9, 10, 11, 13, 38-42)? **Rep. Dickinson of St. Albans Town** demanded the Yeas and Nays, which demand was sustained by the Constitutional number. The Clerk proceeded to call the roll and the question, Shall the amendment proposed by Rep. Dickinson of St. Albans Town and others be substituted for the second instance of amendment (Committee Report of Fish, Wildlife and Water Resources in Sections 7, 9, 10, 11, 13, 38-42)? was decided in the negative. Yeas, 40. Nays, 100.

Those who voted in the affirmative are:

Bancroft of Westford	Hebert of Vernon	Purvis of Colchester
Batchelor of Derby	Higley of Lowell	Quimby of Concord
Beck of St. Johnsbury	Hubert of Milton	Savage of Swanton
Beyor of Highgate	LaClair of Barre Town	Scheuermann of Stowe
Browning of Arlington	Lawrence of Lyndon	Shaw of Pittsford
Cupoli of Rutland City	Lewis of Berlin	Shaw of Derby
Dame of Essex	Marcotte of Coventry	Strong of Albany
Devereux of Mount Holly	Martel of Waterford	Tate of Mendon
Dickinson of St. Albans Town	McFaun of Barre Town	Terenzini of Rutland Town
Donahue of Northfield *	Morrissey of Bennington	Turner of Milton
Fiske of Enosburgh	Murphy of Fairfax	Van Wyck of Ferrisburgh
Gamache of Swanton	Myers of Essex	Viens of Newport City
Graham of Williamstown	Parent of St. Albans City *	Willhoit of St. Johnsbury
	Pearce of Richford	

Those who voted in the negative are:

Ancel of Calais	Copeland-Hanzas of Bradford	Helm of Fair Haven
Bartholomew of Hartland	Corcoran of Bennington	Hooper of Montpelier
Baser of Bristol	Dakin of Chester	Huntley of Cavendish
Berry of Manchester	Dakin of Colchester	Jerman of Essex
Bissonnette of Winooski	Davis of Washington	Jewett of Ripton
Botzow of Pownal	Deen of Westminster	Johnson of South Hero *
Branagan of Georgia	Eastman of Orwell	Juskiewicz of Cambridge
Brennan of Colchester	Ellis of Waterbury	Keenan of St. Albans City
Briglin of Thetford	Emmons of Springfield	Kitzmiller of Montpelier
Burke of Brattleboro	Evans of Essex	Klein of East Montpelier
Buxton of Tunbridge	Fagan of Rutland City	Krebs of South Hero
Canfield of Fair Haven	Feltus of Lyndon	Krowinski of Burlington
Carr of Brandon	Forguites of Springfield	Lalonde of South Burlington
Chesnut-Tangerman of Middletown Springs	Frank of Underhill	Lanpher of Vergennes
Christie of Hartford	French of Randolph	Lefebvre of Newark
Clarkson of Woodstock	Gage of Rutland City	Lenes of Shelburne
Cole of Burlington	Gonzalez of Winooski	Lippert of Hinesburg
Condon of Colchester	Grad of Moretown	Lucke of Hartford
Connor of Fairfield	Greshin of Warren	Macaig of Williston
Conquest of Newbury	Haas of Rochester	Manwaring of Wilmington
	Head of South Burlington	Martin of Wolcott
		Masland of Thetford

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McCormack of Burlington	Rachelson of Burlington	Toll of Danville
McCullough of Williston	Ram of Burlington	Townsend of South Burlington
Miller of Shaftsbury	Russell of Rutland City	Trieber of Rockingham
Morris of Bennington	Ryerson of Randolph	Troiano of Stannard
Mrowicki of Putney	Sharpe of Bristol	Walz of Barre City
Nuovo of Middlebury	Sheldon of Middlebury	Webb of Shelburne
Olsen of Londonderry	Sibilia of Dover	Woodward of Johnson
O'Sullivan of Burlington	Stevens of Waterbury *	Wright of Burlington
Partridge of Windham	Stuart of Brattleboro	Yantachka of Charlotte
Patt of Worcester	Sullivan of Burlington	Young of Glover
Pearson of Burlington	Sweaney of Windsor	Zagar of Barnard
Potter of Clarendon	Till of Jericho	
Pugh of South Burlington	Toleno of Brattleboro	

Those members absent with leave of the House and not voting are:

Burditt of West Rutland	Komline of Dorset	O'Brien of Richmond
Donovan of Burlington	Long of Newfane	Poirier of Barre City
Fields of Bennington	McCoy of Poultney	Smith of New Haven

**Rep. Donahue of Northfield** explained her vote as follows:

“Mr. Speaker:

Yes, sometime votes are only symbolic. Some options may realistically have been closed off before this particular vote. But to the combination of \$33 million in new taxes last week, \$8 million in new taxes and fees pending in this bill, and the \$20 million next week, I vote no.”

**Rep. Johnson of South Hero** explained her vote as follows:

“Mr. Speaker:

This amendment poses as a solution, but in reality it spends money that doesn't exist. It makes a nice soundbite, but puts a \$13.6 million hole in the budget we balanced last week. Doing right by water quality means making tough votes.”

**Rep. Parent of St. Albans City** explained his vote as follows:

“Mr. Speaker:

We heard the all for cleaner waters across Vermont and the challenge for a better way of funding. This is my preferred way to pay for water quality. It was affordable, it was sustainable, and it was a long term solution.”

**Rep. Stevens of Waterbury** explained his vote as follows:

“Mr. Speaker:

Taking money from the VT housing and Conservation Trust Fund is bad public policy. Taking money that attracts seven times the investment and turning it into single dollars is a technique no business person would think wise. This water product wouldn't be started without VHCB's commitment. Let's keep our investments in the right place, and trust the committees of jurisdiction."

Thereupon, **Rep. Deen of Westminster** asked and was granted leave of the House to withdraw his request for a roll call.

Pending the question, Shall the bill be amended in the second instance of amendment as proposed by the Committee Report of Fish, Wildlife and Water Resources in Sections 7,9,10,11,13,38,39,40,41,42? **Rep. Turner of Milton** demanded the Yeas and Nays, which demand was sustained by the Constitutional number. The Clerk proceeded to call the roll and the question, Shall the bill be amended in the second instance of amendment as proposed by the Committee Report of Fish, Wildlife and Water Resources in Sections 7,9,10,11,13,38,39,40,41,42? was decided in the affirmative. Yeas, 125. Nays, 16.

Those who voted in the affirmative are:

Ancel of Calais	Dakin of Chester	Helm of Fair Haven
Bancroft of Westford	Dakin of Colchester	Hooper of Montpelier
Bartholomew of Hartland	Davis of Washington	Huntley of Cavendish
Baser of Bristol	Deen of Westminster	Jerman of Essex
Beck of St. Johnsbury	Devereux of Mount Holly	Jewett of Ripton
Berry of Manchester	Dickinson of St. Albans	Johnson of South Hero
Beyor of Highgate	Town	Juskiewicz of Cambridge
Bissonnette of Winooski	Donahue of Northfield	Keenan of St. Albans City
Botzow of Pownal	Eastman of Orwell	Kitzmiller of Montpelier
Branagan of Georgia	Ellis of Waterbury	Klein of East Montpelier
Brennan of Colchester	Emmons of Springfield	Krebs of South Hero
Briglin of Thetford	Evans of Essex	Krowinski of Burlington
Browning of Arlington	Fagan of Rutland City	Lalonde of South Burlington
Burke of Brattleboro	Feltus of Lyndon	Lanpher of Vergennes
Buxton of Tunbridge	Fiske of Enosburgh	Lawrence of Lyndon
Canfield of Fair Haven	Forguites of Springfield	Lefebvre of Newark
Carr of Brandon	Frank of Underhill	Lenes of Shelburne
Chesnut-Tangerman of	French of Randolph	Lippert of Hinesburg
Middletown Springs	Gage of Rutland City	Lucke of Hartford
Christie of Hartford	Gamache of Swanton	Macaig of Williston
Clarkson of Woodstock	Gonzalez of Winooski	Manwaring of Wilmington
Cole of Burlington	Grad of Moretown	Marcotte of Coventry
Condon of Colchester	Graham of Williamstown	Martin of Wolcott
Connor of Fairfield *	Greshin of Warren	Masland of Thetford
Conquest of Newbury	Haas of Rochester	McCormack of Burlington
Copeland-Hanzas of	Head of South Burlington	McCullough of Williston *
Bradford	Hebert of Vernon	Miller of Shaftsbury

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Morris of Bennington	Rachelson of Burlington	Tate of Mendon
Morrissey of Bennington	Ram of Burlington	Till of Jericho
Mrowicki of Putney	Russell of Rutland City	Toleno of Brattleboro
Murphy of Fairfax	Ryerson of Randolph	Toll of Danville
Myers of Essex	Savage of Swanton	Townsend of South Burlington
Nuovo of Middlebury	Scheuermann of Stowe	Trieber of Rockingham
Olsen of Londonderry	Sharpe of Bristol	Troiano of Stannard
O'Sullivan of Burlington	Shaw of Pittsford	Walz of Barre City
Parent of St. Albans City	Shaw of Derby	Webb of Shelburne
Partridge of Windham	Sheldon of Middlebury	Willhoit of St. Johnsbury
Patt of Worcester	Sibilia of Dover	Woodward of Johnson
Pearce of Richford	Smith of New Haven	Wright of Burlington
Pearson of Burlington *	Stevens of Waterbury	Yantachka of Charlotte
Potter of Clarendon	Stuart of Brattleboro	Young of Glover
Pugh of South Burlington	Sullivan of Burlington	Zagar of Barnard
Purvis of Colchester	Sweaney of Windsor	

Those who voted in the negative are:

Batchelor of Derby	LaClair of Barre Town	Terenzini of Rutland Town
Corcoran of Bennington	Lewis of Berlin	Turner of Milton *
Cupoli of Rutland City	Martel of Waterford	Van Wyck of Ferrisburgh
Dame of Essex	McFaun of Barre Town	Viens of Newport City
Higley of Lowell	Quimby of Concord	
Hubert of Milton	Strong of Albany	

Those members absent with leave of the House and not voting are:

Burditt of West Rutland	Komline of Dorset	O'Brien of Richmond
Donovan of Burlington	Long of Newfane	Poirier of Barre City
Fields of Bennington	McCoy of Poultney	

**Rep. Connor of Fairfield** explained his vote as follows:

“Mr. Speaker:

Thank you for supporting H.35. For the last year and a half Vermonters have asked the agricultural community and specifically dairy producers to be a part of the solution and to invest money in the solution. Tonight the dairy community is one of the first partners to truly be ‘All In’.”

**Rep. McCullough of Williston** explained his vote as follows:

“Mr. Speaker:

This vote makes H.35 whole. I voted for H.35, an act relating to improving the quality of state waters. I did so because VT’s water is a public trust. It is our legislative responsibility to care for our water for its intrinsic self and for the public’s use. The Lung Association of VT says, ‘If you can’t breathe,

nothing else matters.’ This legislator adds, ‘Without potable water, nothing else matters’.”

**Rep. Pearson of Burlington** explained his vote as follows:

“Mr. Speaker:

When it comes to water quality we can pay now or we can pay later. And payment doesn’t just show up in taxes and fees. With this vote we are investing in our waterways knowing we will pay our economy back many times over.”

**Rep. Turner of Milton** explained his vote as follows:

“Mr. Speaker:

I support cleaning up the waters of Vermont. I just don’t agree that raising additional taxes and fees, in addition to the \$35 million in new taxes and fees raised to date by this body, is the only solution.”

Pending the question, Shall the bill be read a third time? **Rep. Webb of Shelburne** demanded the Yeas and Nays, which demand was sustained by the Constitutional number. The Clerk proceeded to call the roll and the question, Shall the bill be read a third time? was decided in the affirmative. Yeas, 126. Nays, 10.

Those who voted in the affirmative are:

Ancel of Calais	Connor of Fairfield	Gage of Rutland City
Bancroft of Westford	Conquest of Newbury	Gamache of Swanton
Bartholomew of Hartland	Copeland-Hanzas of	Gonzalez of Winooski
Baser of Bristol	Bradford	Grad of Moretown
Batchelor of Derby	Corcoran of Bennington	Graham of Williamstown
Beck of St. Johnsbury	Cupoli of Rutland City	Greshin of Warren
Berry of Manchester	Dakin of Chester	Haas of Rochester
Beyor of Highgate	Dakin of Colchester	Head of South Burlington
Bissonnette of Winooski	Davis of Washington	Helm of Fair Haven
Botzow of Pownal	Deen of Westminster	Hooper of Montpelier
Branagan of Georgia	Dickinson of St. Albans	Huntley of Cavendish
Brennan of Colchester	Town	Jerman of Essex
Briglin of Thetford	Donahue of Northfield	Jewett of Ripton
Browning of Arlington	Eastman of Orwell	Johnson of South Hero
Burke of Brattleboro	Ellis of Waterbury	Juskiewicz of Cambridge
Buxton of Tunbridge	Emmons of Springfield	Keenan of St. Albans City
Canfield of Fair Haven	Evans of Essex	Kitzmiller of Montpelier
Carr of Brandon	Fagan of Rutland City	Klein of East Montpelier
Chesnut-Tangerman of	Feltus of Lyndon	Krebs of South Hero
Middletown Springs	Fiske of Enosburgh	Krowinski of Burlington
Christie of Hartford	Forguites of Springfield	LaClair of Barre Town
Clarkson of Woodstock	Frank of Underhill	Lalonde of South Burlington
Cole of Burlington	French of Randolph	Lanpher of Vergennes



Lawrence of Lyndon	O'Sullivan of Burlington	Stuart of Brattleboro
Lefebvre of Newark	Parent of St. Albans City	Sullivan of Burlington
Lenes of Shelburne	Partridge of Windham	Sweaney of Windsor
Lippert of Hinesburg	Patt of Worcester	Till of Jericho
Lucke of Hartford	Pearce of Richford	Toleno of Brattleboro
Macaig of Williston	Pearson of Burlington	Toll of Danville
Manwaring of Wilmington	Potter of Clarendon	Townsend of South Burlington
Marcotte of Coventry	Pugh of South Burlington	Trieber of Rockingham
Martin of Wolcott	Purvis of Colchester	Troiano of Stannard
Masland of Thetford	Rachelson of Burlington	Viens of Newport City
McCormack of Burlington	Ram of Burlington	Walz of Barre City
McCullough of Williston	Russell of Rutland City	Webb of Shelburne
McFaun of Barre Town	Ryerson of Randolph	Willhoit of St. Johnsbury
Miller of Shaftsbury	Savage of Swanton	Woodward of Johnson
Morris of Bennington	Scheuermann of Stowe	Wright of Burlington
Morrissey of Bennington	Sharpe of Bristol	Yantachka of Charlotte
Mrowicki of Putney	Shaw of Pittsford	Young of Glover
Murphy of Fairfax	Sheldon of Middlebury	Zagar of Barnard
Myers of Essex	Sibilia of Dover	
Nuovo of Middlebury	Smith of New Haven	
Olsen of Londonderry	Stevens of Waterbury	

Those who voted in the negative are:

Higley of Lowell	Quimby of Concord	Turner of Milton
Hubert of Milton	Strong of Albany	Van Wyck of Ferrisburgh
Lewis of Berlin	Tate of Mendon	
Martel of Waterford	Terenzini of Rutland Town	

Those members absent with leave of the House and not voting are:

Burditt of West Rutland	Fields of Bennington	O'Brien of Richmond
Condon of Colchester	Hebert of Vernon	Poirier of Barre City
Dame of Essex	Komline of Dorset	Shaw of Derby
Devereux of Mount Holly	Long of Newfane	
Donovan of Burlington	McCoy of Poultney	

### Action on Bill Postponed

#### H. 367

House bill, entitled

An act relating to miscellaneous revisions to the municipal plan adoption, amendment, and update process

Was taken up and pending the reading of the report of the committee on Natural Resources & Energy, on motion of **Rep. Forguites of Springfield**, action on the bill was postponed until the next legislative day.

**Adjournment**

At eight o'clock and one minute in the evening, on motion of **Rep. Turner of Milton**, the House adjourned until tomorrow at nine o'clock and thirty minutes in the forenoon.