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Sec. 1. 10 V.S.A. § 1978(a) is amended to read:

(a) The Secretary shall adopt rules, in accordance with 3 V.S.A. chapter 25, necessary for the administration of this chapter. These rules shall include the following:

* * *

(15) Provisions authorizing the use by a residential dwelling of surface water as a source of a potable water supply permitted under this chapter.

Sec. 2. 10 V.S.A. § 1981 is added to read: § 1981. SURFACE WATER SOURCE; POTABLE WATER SUPPLY

The Secretary shall approve the use of a surface water as the source of a potable water supply under this chapter if the following conditions are satisfied:

- (1) the building or structure using the surface water as a source is a single-family residence occupied by the owner of record;
- (2) only one single-family residence shall be served by a potable water supply using a surface water as a source;
- (3) a single-family residence with a potable water supply using a surface water as a source shall not be used as the site of a home occupation that employs persons other than family members and is visited by the

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* * *Surface Water Sources; Potable Water Supply* * *

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Sec. 2. 10 V.S.A. § 1981 is added to read: § 1981. SURFACE WATER SOURCE; POTABLE WATER SUPPLY

The Secretary shall approve the use of a surface water as the source of a potable water supply under this chapter if the following conditions are satisfied:

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- (2) only one single-family residence shall be served by a potable water supply using a surface water as a source;
- (3) a single-family residence with a potable water supply using a surface water as a source shall not be used as the site of a home occupation that employs persons other than family members and is visited by the

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public in a manner or duration that would presume the need for use of a potable water supply;

- (4) a professional engineer shall design the potable water supply using a surface water as a source, including a treatment system for the surface water;
- (5) only surface waters that meet criteria adopted by the Secretary by rule are eligible as the source of a potable water supply permitted under this chapter; and
- (6) the applicant or permit holder shall comply with other criteria and requirements adopted by the Secretary by rule for potable water supplies using a surface water as a source.

Sec. 3. SURFACE WATER SOURCE; RULEMAKING

The Secretary shall adopt rules to implement 10 V.S.A. § 1981 on or before July 1, 2017.

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public in a manner or duration that would presume the need for use of a potable water supply;

- (4) a professional engineer shall design the potable water supply using a surface water as a source, including a treatment system for the surface water;
- (5) only surface waters that meet criteria adopted by the Secretary by rule are eligible as the source of a potable water supply permitted under this chapter; and
- (6) the applicant or permit holder shall comply with other criteria and requirements adopted by the Secretary by rule for potable water supplies using a surface water as a source.

Sec. 3. SURFACE WATER SOURCE; RULEMAKING

The Secretary shall adopt rules to implement 10 V.S.A. § 1981 on or before July 1, 2017.

* * *Groundwater Testing; Technical Advisory

Committee* * *

Sec. 4. TECHNICAL ADVISORY COMMITTEE; RECOMMENDATIONS

ON GROUNDWATER TESTING

(a) The Secretary of Natural Resources shall seek the recommendations of the Technical Advisory

Committee on Wastewater Systems and Potable Water Supplies regarding whether and how to test for contamination in groundwater sources used by potable water supplies permitted under 10 V.S.A. chapter 64.

The recommendations shall address:

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	(1) whether the State should require testing of
	groundwater sources used by potable water supplies
	permitted under 10 V.S.A. chapter 64;
	(2) if testing is recommended:
	(A) in what situations or upon what
	occurrences should testing be required;
	(B) from what component of a potable water
	supply the sample should be taken, including whether a
	sample from the wellhead of the potable water supply is
	sufficient;
	(C) who should be authorized to take the
	sample; and
	(D) what parameters or contaminants should
	be tested for in groundwater;
	(3) any additional issues or requirements that the
	Technical Advisory Committee deems relevant to the
	testing of groundwater sources used by potable water
	supplies permitted under 10 V.S.A. chapter 64.
	(b) The Secretary of Natural Resources shall submit
	the recommendations of the Technical Advisory
	Committee to the House Committee on Fish, Wildlife
	and Water Resources and the Senate Committee on
	Natural Resources and Energy on or before January 15,
	2017.
Sec. 4. 10 V.S.A. § 1982 is added to read:	
§ 1982. TESTING OF NEW GROUNDWATER	
SOURCES	
(a) As used in this section, "groundwater source"	
means that portion of a potable water supply that draws	

H.595: Senate Proposal of Amendment H.595: House Further Proposal of Amendment water from the ground, including a drilled well, shallow well, driven well point, or spring. (b) Prior to use of a new groundwater source as a potable water supply, where testing is not otherwise required, the person who owns or controls the groundwater source shall test the groundwater source for the parameters set forth in subsection (c) of this section. (c) A water sample collected under this section shall be analyzed for, at a minimum: arsenic, lead, uranium, gross alpha radiation, total coliform bacteria, total nitrate and nitrite, fluoride, manganese, and any other parameters required by the Agency by rule. The Agency by rule may require testing for a parameter by region or specific geographic area of concern. (d) The Secretary, after consultation with the Department of Health, the Wastewater and Potable Water Supply Technical Advisory Committee, the Vermont Realtors, the Vermont Association of Professional Home Inspectors, private laboratories, and other interested parties, shall adopt by rule requirements regarding: (1) when, prior to use of a new groundwater source, the test required under subsection (b) of this section shall be conducted; (2) who shall be authorized to sample the source for the test required under subsection (b) of this section, provided that the rule shall include the person who owns or controls the groundwater source and licensed well drillers among those authorized to conduct the test;

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(3) how a water sample shall be collected in	
order to comply with the requirements of the analyses	
to be performed; and	
(4) any other requirements necessary to	
implement this section.	
Sec. 5. AGENCY OF NATURAL RESOURCES;	
GROUNDWATER SOURCE TESTING	
The Secretary of Natural Resources shall commence	
rulemaking under 10 V.S.A. § 1982 on or before July 1,	
2016. The Secretary shall adopt rules under 10 V.S.A.	
§ 1982 on or before January 1, 2017.	
Sec. 6. 18 V.S.A. § 501b is amended to read:	
§ 501b. CERTIFICATION OF LABORATORIES	
(a) The commissioner Commissioner may certify a	
laboratory that meets the standards currently in effect of	
the National Environmental Laboratory Accreditation	
Conference and is accredited by an approved National	
Environmental Laboratory Accreditation Program	
accrediting authority or its equivalent to perform the	
testing and monitoring:	
(1) required under 10 V.S.A. chapter 56 and the	
federal Safe Drinking Water Act; and	
(2) of water from a potable water supply, as that	
term is defined in 10 V.S.A. § 1972(6).	
(b)(1) The commissioner Commissioner may by	
order suspend or revoke a certificate granted under this	
section, after notice and opportunity to be heard, if the	
commissioner Commissioner finds that the certificate	

H.595: Senate Proposal of Amendment H.595: House Further Proposal of Amendment holder has: (A) submitted materially false or materially inaccurate information; or (B) violated any material requirement, restriction, or condition of the certificate; or (C) violated any statute, rule, or order relating to this title. (2) The order shall set forth what steps, if any, may be taken by the certificate holder to relieve the holder of the suspension or enable the certificate holder to reapply for certification if a previous certificate has been revoked. (c) A person may appeal the suspension or revocation of the certificate to the board Board under section 128 of this title. (f) A laboratory certified to conduct testing of groundwater sources or water supplies from under 10 V.S.A. § 1982 or other statute for use by a potable water supply, as that term is defined in 10 V.S.A. § 1972(6), shall submit the results of groundwater analyses to the department of health Department of Health and the agency of natural resources Agency of Natural Resources in a format required by the department of health Department of Health. * * * Environmental Contingency Fund * * * Sec. 7. 10 V.S.A. § 1283(b) is amended to read: Sec. 5. 10 V.S.A. § 1283(b) is amended to read: (b) Disbursements under this subsection may be (b) Disbursements under this subsection may be made for emergency purposes or to respond to other made for emergency purposes or to respond to other

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than emergency situations; provided, however, that disbursements in response to an individual situation which is not an emergency situation shall not exceed \$100,000.00 for costs attributable to each of the subdivisions of this subsection, unless the Secretary has received the approval of the General Assembly, or the Joint Fiscal Committee, in case the General Assembly is not in session. Furthermore, the balance in the Fund shall not be drawn below the amount of \$100,000.00, except in emergency situations. If the balance of the Fund becomes insufficient to allow a proper response to one or more emergencies that have occurred, the Secretary shall appear before the Emergency Board, as soon as possible, and shall request that necessary funds be provided. Within these limitations, disbursements from the Fund may be made:

* * *

(7) to pay costs of management oversight provided by the State for investigation and cleanup efforts conducted by voluntary responsible parties where those responsible parties have contributed monies to the Fund pursuant to a written agreement under subsection (f) of this section;

* * *

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than emergency situations; provided, however, that disbursements in response to an individual situation which is not an emergency situation shall not exceed \$100,000.00 for costs attributable to each of the subdivisions of this subsection, unless the Secretary has received the approval of the General Assembly, or the Joint Fiscal Committee, in case the General Assembly is not in session. Furthermore, the balance in the Fund shall not be drawn below the amount of \$100,000.00, except in emergency situations. If the balance of the Fund becomes insufficient to allow a proper response to one or more emergencies that have occurred, the Secretary shall appear before the Emergency Board, as soon as possible, and shall request that necessary funds be provided. Within these limitations, disbursements from the Fund may be made:

* * *

(7) to pay costs of management oversight provided by the State for investigation and cleanup efforts conducted by voluntary responsible parties where those responsible parties have contributed monies to the Fund pursuant to a written agreement under subsection (f) of this section;

* * *

- (9) to pay costs of required capital contributions and operation and maintenance when the remedial or response action was taken pursuant to 42 U.S.C. § 9601 et seq.;
- (10) to pay the costs of oversight or conducting assessment of a natural resource damaged by the release

H.595: Senate Proposal of Amendment H.595: House Further Proposal of Amendment of a hazardous material and being assessed for damages pursuant to section 6615d of this title; or (11) to pay the costs of oversight or conducting restoration or rehabilitation to a natural resource damaged by the release of a hazardous material and being restored or rehabilitated pursuant to section 6615d of this title. * * * ANR Information Requests; Hazardous Material Releases * * * Sec. 8. 10 V.S.A. § 6615c is added to read: Sec. 6. 10 V.S.A. § 6615c is added to read: § 6615c. INFORMATION REQUESTS § 6615c. INFORMATION REQUESTS (a)(1) When the Secretary has reasonable cause to (a)(1) When the Secretary has reasonable grounds to believe that the Secretary has identified a person who believe that the Secretary has identified a person who may be subject to liability for a release or threat of may be subject to liability for a release or threat of release under section 6615 of this title, the Secretary release under section 6615 of this title, the Secretary may require the person to furnish information related may require the person to furnish information related to: to: (A) The type, nature, and quantity of any (A) The type, nature, and quantity of any

- (A) The type, nature, and quantity of any commercial chemical product or hazardous material that has been or is being used, generated, treated, stored, or disposed of at a facility or transported to a facility.
- (B) The nature or extent of a release or threatened release of a hazardous material from a facility.
- (C) Financial information related to the ability of a person to pay for or to perform a cleanup or information surrounding the corporate structure, if any, of such person who may be subject to liability for a
- commercial chemical product or hazardous material that has been or is being used, generated, treated, stored, or disposed of at a facility or transported to a facility.
- (B) The nature or extent of a release or threatened release of a hazardous material from a facility.
- (C) Financial information related to the ability of a person to pay for or to perform the cleanup or information surrounding the corporate structure, if any, of such person who may be subject to liability for a

H.595: Senate Proposal of Amendment H.595: House Further Proposal of Amendment release or threat of release under section 6615 of this release or threat of release under section 6615 of this title. title, provided that the person has notified the Secretary that he or she does not have the ability to pay, refuses to perform, or fails to respond to a deadline established under section 6615b of this title to commit to performing a corrective action. (2) A person served with an information request (2) A person served with an information request shall respond within 10 days of receipt of the request or shall respond within 30 days of receipt of the request or by the date specified by the Secretary in the request. by the date specified by the Secretary in the request, provided that the Secretary may require a person to respond within 10 days of receipt of a request when there is an imminent threat to the environment or other emergency that requires on expedited response. (3) When the Secretary submits a request for information under this section, the Secretary shall provide the person who received the request information regarding the person's right to object or not comply with the request for information. The information shall include the potential actions that the Secretary may pursue if the person objects to or does not comply with the request for information. (b)(1) A person who has received a request under (b)(1) A person who has received a request under subsection (a) of this section shall, at the discretion of subsection (a) of this section shall, at the discretion of the Secretary, either: the Secretary, either: (A) grant the Secretary access, at reasonable (A) grant the Secretary access, at reasonable times, to any facility, establishment, place, property, or times, to any facility, establishment, place, property, or location to inspect and copy all documents or records location to inspect and copy all documents or records relating to information that was related to the request; responsive to the request; or <u>or</u>

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- (B) copy and furnish to the Secretary all such information at the option and expense of the person or provide a written explanation that the information has already been provided to the Secretary and a reference to the permit, enforcement action, or other matter under which the Secretary obtained the requested information.
- (2) A person responding to a request under subsection (a) of this section may assert any privilege under statute, rule, or common law that is recognized in the State of Vermont to limit access to such information, including the attorney-client privilege. A person responding to a request for information under this section shall not assert privileges related to business confidentiality, including trade secrets, in order to withhold requested information. Any information that is privileged shall be provided to the Secretary with the privileged material redacted. The Secretary may require that a person asserting a privilege under this section provide an index of all privileged information.
- (c) The Secretary may require any person who has or may have knowledge of any information listed in subdivisions (a)(1) of this section to appear at the offices of the Secretary and may take testimony and require the production of records that relate to a release or threatened release of a hazardous material.
- (d) Any request for information under this section shall be served personally or by certified mail.
 - (e) A response to a request under this section shall

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- (B) copy and furnish to the Secretary all information responsive to the request at the option and expense of the person or provide a written explanation that the information has already been provided to the Secretary and a reference to the permit, enforcement action, or other matter under which the Secretary obtained the requested information.
- (2) A person responding to a request under subsection (a) of this section may assert any privilege under statute, rule, or common law that is recognized in the State of Vermont to limit access to such information, including the attorney-client privilege. A person responding to a request for information under this section shall not assert privileges related to business confidentiality, including trade secrets, in order to withhold requested information. Any information that is privileged shall be provided to the Secretary with the privileged material redacted. The Secretary may require that a person asserting a privilege under this section provide an index of all privileged information.
- (c) The Secretary may require any person who has or may have knowledge of any information listed in subdivision (a)(1) of this section to appear at the offices of the Secretary and may take testimony and require the production of records that relate to a release or threatened release of a hazardous material.
- (d) Any request for information under this section shall be served personally or by certified mail.
 - (e) A response to a request under this section shall

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be personally certified by the person responding to the request that:

- (1) the response is accurate and truthful; and
- (2) the person has not omitted responsive information or will provide the responsive information according to a production schedule approved by the Secretary.
- (f) Information that qualifies for the trade secret exemption under 1 V.S.A. § 317(c)(9) and other financial information submitted under this section shall be confidential and shall not be subject to inspection and copying under the Public Records Act. A person subject to an information request under this section shall be responsible for proving that submitted information qualifies for the trade secret exemption under 1 V.S.A. § 317(c)(9). The following information is not trade secret information or financial information for the purposes of this subsection:
- (1) the trade name, common name, or generic class or category of the hazardous material;
- (2) the physical properties of the hazardous material, including its boiling point, melting point, flash point, specific gravity, vapor density, solubility in water, and vapor pressure at 20 degrees Celsius;
- (3) the hazards to health and the environment posed by the hazardous material, including physical hazards and potential acute and chronic health hazards;
- (4) the potential routes of human exposure to the hazardous material at the facility;

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be personally certified by the person responding to the request that, under penalty of perjury and to the best of the person's knowledge:

- (1) the response is accurate and truthful; and
- (2) the person has not omitted responsive information or will provide the responsive information according to a production schedule approved by the Secretary.
- (f) Information identified as qualifying for the trade secret exemption under 1 V.S.A. § 317(c)(9) and other financial information submitted under this section shall be confidential and shall not be subject to inspection and copying under the Public Records Act. A person subject to an information request under this section shall be responsible for proving that submitted information qualifies for the trade secret exemption under 1 V.S.A. § 317(c)(9). The following information is not trade secret information or financial information for the purposes of this subsection:
- (1) the trade name, common name, or generic class or category of the hazardous material;
- (2) the physical properties of the hazardous material, including its boiling point, melting point, flash point, specific gravity, vapor density, solubility in water, and vapor pressure at 20 degrees Celsius;
- (3) the hazards to health and the environment posed by the hazardous material, including physical hazards and potential acute and chronic health hazards;
- (4) the potential routes of human exposure to the hazardous material at the facility;

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- (5) the location of disposal of any waste stream at the facility;
- (6) any monitoring data or analysis of monitoring data pertaining to disposal activities;
 - (7) any hydrogeologic or geologic data; or
 - (8) any groundwater monitoring data.
- (g) As used in this section, "information" means any written or recorded information, including all documents, records, photographs, recordings, e-mail, or correspondence.

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- (5) the location of disposal of any waste stream at the facility;
- (6) any monitoring data or analysis of monitoring data pertaining to disposal activities;
 - (7) any hydrogeologic or geologic data; or
 - (8) any groundwater monitoring data.
- (g) As used in this section, "information" means any written or recorded information, including all documents, records, photographs, recordings, e-mail, correspondence, or other machine readable material.
- Sec. 7. 10 V.S.A. § 8005(b) is amended to read:
 - (b) Access orders and information requests.
- (1) A Superior Court judge shall issue an access order when access has been refused and the investigator, by affidavit, describes the property to be examined and identifies:
- (A) a provision of a permit that authorizes the inspection; or
- (B) the property as being scheduled for inspection in accordance with a neutral inspection program adopted by the Secretary or the Natural Resources Board; or
- (C) facts providing reasonable grounds to believe that a violation exists and that an examination of the specifically described property will be of material aid in determining the existence of the violation.
- (2) A Superior Court shall issue an order requiring compliance with an information request submitted pursuant to section 6615c of this title when:

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	(A) the person served with the request fails to
	respond to the request in the time frame identified by
	the Secretary;
	(B) the Secretary submits, by affidavit, facts
	providing reasonable grounds that a release or
	threatened release has taken place; and
	(C) the information will be of material aid in
	responding to the release or threatened release.
	(3) Issuance of an access order shall not negate
	the Secretary's authority to initiate criminal
	proceedings in the same matter by referring the matter
	to the Office of the Attorney General or a State's
	Attorney.
	* * * Natural Resource Damages * * *
Sec. 9. 10 V.S.A. § 6615d is added to read:	Sec. 8. 10 V.S.A. § 6615d is added to read:
§ 6615d. NATURAL RESOURCE DAMAGES;	§ 6615d. NATURAL RESOURCE DAMAGES:
<u>LIABILITY; RULEMAKING</u>	<u>LIABILITY; RULEMAKING</u>
(a) Definitions. As used in this section:	(a) Definitions. As used in this section:
	(1) "Acquisition of or acquiring the equivalent or
	replacement' means the substitution for an injured
	resource with a resource that provides the same or
	substantially similar services, when the substitution:
	(A) is in addition to a substitution made or
	anticipated as part of a response action; and
	(b) exceeds the level of response action
	determined appropriate for the site under section 6615b
	of this title.
(1) "Baseline condition" means the condition or	(2) "Baseline condition" means the condition or
conditions that would have existed at the area of	conditions that would have existed at the area of

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assessed damages had the release of hazardous material not occurred.

- (2) "Damages" means the amount of money sought by the Secretary for the injury, destruction, or loss of natural resources.
- (3) "Destruction" means the total and irreversible loss of natural resources.
- (4) "Injury" means a measurable adverse longterm or short-term change in the chemical or physical quality or viability of a natural resource resulting either directly or indirectly from exposure to a release of hazardous material or exposure to a product of reactions from a release of hazardous materials.
- (5) "Loss" means a measurable adverse reaction of a chemical or physical quality of viability of a natural resource.
- (6) "Natural resources" means fish, wildlife, biota, air, surface water, groundwater, wetlands, drinking water supplies, or State-held public lands.
- (7) "Natural resource damage assessment" means the process of collecting, compiling, and analyzing information, statistics, or data through prescribed methodologies to determine the damages for injuries to natural resources.
- (8) "Restoring," "restoration," "rehabilitating," or "rehabilitation" means actions undertaken to return an injured natural resource to its baseline condition, as measured in terms of the injured resource's physical, chemical, or biological properties or the services it had previously provided, when such actions are in addition

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assessed damages had the release of hazardous material at or from the facility in question not occurred.

- (3) "Damages" means the amount of money sought by the Secretary for the injury, destruction, or loss of a natural resource.
- (4) "Destruction" means the total and irreversible loss of natural resources.
- (5) "Injury" means a measurable adverse longterm or short-term change in the chemical or physical quality or viability of a natural resource resulting either directly or indirectly from exposure to a release of hazardous material or exposure to a product of reactions from a release of hazardous materials.
- (6) "Loss" means a measurable adverse reduction of a chemical or physical quality or viability of a natural resource.
- (7) "Natural resource damage assessment" means the process of collecting, compiling, and analyzing information, statistics, or data through prescribed methodologies to determine the damages for injuries to a natural resource.
- (8) "Natural resources" means fish, wildlife, biota, air, surface water, groundwater, wetlands, drinking water supplies, or State-held public lands.
- (9) "Restoring," "restoration," "rehabilitating," or "rehabilitation" means actions undertaken to return an injured natural resource to its baseline condition, as measured in terms of the injured resource's physical, chemical, or biological properties or the services it had previously provided, when such actions are in addition

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to a response action.

- (b) Authorization. The Secretary may assess damages against any person found to be liable under section 6615 of this title for a release or threatened release of hazardous material for injury to, destruction of, or loss of natural resources from the release or threatened release. The measure of damages that may be assessed for natural resources damages shall include the cost of restoring or rehabilitating injured, damaged, or destroyed natural resources, compensation for the interim injury to or loss of natural resources pending recovery, and any reasonable costs of the Secretary in conducting a natural resources damage assessment.
- (c) Rulemaking; methodology. The Secretary shall adopt rules to implement the requirements of this section, including a methodology by which the Secretary shall assess and value natural resources damages. The rules shall include:
- (1) requirements or acceptable standards for the preassessment of natural resources damages, including requirements for:
- (A) notification of the Secretary or other necessary persons;

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to a response action under section 6615 of this title.

- (10) "Services" means the physical and biological functions performed by the natural resource, including the human uses of those functions.
- (b) Authorization. The Secretary may assess
 damages against any person found to be liable under
 section 6615 of this title for a release of hazardous
 material for injury to, destruction of, or loss of a natural
 resource from the release. The measure of damages
 that may be assessed for natural resource damages shall
 include the cost of restoring, rehabilitating, replacing,
 or acquiring the equivalent of the injured, damaged, or
 destroyed natural resources or the services the natural
 resources provided and any reasonable costs of the
 Secretary in conducting a natural resource damage
 assessment. The Secretary also may seek compensation
 for the interim injury to or loss of a natural resource
 pending recovery of services to the baseline condition
 of the natural resource.
- (c) Rulemaking; methodology. The Secretary shall adopt rules to implement the requirements of this section, including a methodology by which the Secretary shall assess and value natural resource damages. The rules shall include:
- (1) requirements or acceptable standards for the preassessment of natural resource damages, including requirements for:
- (A) notification of the Secretary, natural resource trustees, or other necessary persons of potential damages to natural resources under

H.595: Senate Proposal of Amendment H.595: House Further Proposal of Amendment investigation for the coordination of the assessments, investigations, and planning; (B) authorized emergency response to natural (B) authorized emergency response to natural resources damages, and resource damages when immediate action to avoid destruction of a natural resource is necessary or a situation in which there is a similar need for emergency action, and where the potentially liable party under section 6615 of this title fails to take emergency response actions requested by the Secretary; and (C) sampling or screening of the potentially (C) sampling or screening of the potentially injured natural resources; injured natural resource; (2) requirements for the a natural resources (2) requirements for a natural resource damages damages assessment plan to ensure that the natural assessment plan to ensure that the natural resource damage assessment is performed in a planned and resources damage assessment is performed in a designed and systematic manner, including: systematic manner, including: (A) the categories of reasonable and necessary (A) the categories of reasonable and necessary costs that may be incurred as part of the assessment costs that may be incurred as part of the assessment plan; plan; (B) the methodologies for identifying and (B) the methodologies for identifying and screening costs; screening restoration alternatives and their costs; (C) the types of assessment procedures (C) the types of reasonably reliable available to the Secretary, when the available assessment procedures available to the Secretary, when procedures are authorized, and the requirements of the the available procedures are authorized, and the available procedures; requirements of the available procedures; (D) how injury or loss shall be determined (D) how injury or loss shall be determined and how injury or loss is quantified; and and how injury or loss is quantified; and (E) how damages are measured in terms of the (E) how damages are determined; cost of: (i) the restoration or rehabilitation of the

injured natural resources to a condition where they can

H.595: Senate Proposal of Amendment H.595: House Further Proposal of Amendment provide the level of services available at baseline condition: or (ii) the replacement or acquisition of equivalent natural resources or services; (3) requirements for post-natural resources (3) requirements for post-natural resource damages assessment, including: damages assessment, including: (A) the documentation that the Secretary shall (A) the documentation that the Secretary shall produce to complete the assessment; produce to complete the assessment; (B) how the Secretary shall seek recovery; (B) how the Secretary shall seek recovery: and and (C) when and whether the Secretary shall (C) when and whether the Secretary shall require a restoration plan; and require a restoration plan; and (4) other requirements deemed necessary by the (4) other requirements deemed necessary by the Secretary for implementation of the rules. Secretary for implementation of the rules. (d) Exceptions. The Secretary shall not seek to (d) Exceptions. The Secretary shall not seek to recover natural resources damages under this section recover natural resource damages under this section when the person liable for the release or threatened when: release: (1) demonstrates that the alleged natural (1) the person liable for the release demonstrates resources damages were identified as a potential that the nature and degree of the destruction, injury, or irreversible or irretrievable environmental effect on loss to the natural resources were identified in an natural resource damages in an application for, renewal application for, renewal of, review of, or other of, review of, or other environmental assessment of a environmental assessment of a permit, certification, permit, certification, license or other required license, or other required authorization; authorization; (2) the Secretary authorized the identified effect (2) the Secretary authorized the nature and on natural resources in an issued permit, certification, degree of the destruction, injury, or loss to the natural license, or other authorization; and resource in an issued permit, certification, license, or other authorization; and (3) the person liable for the release or threatened (3) the person liable for the release was operating

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release was operating within the terms of its permit, certification, license, or other authorization.

(e) Limitations. The natural resources damages authorized under this section and the requirements for assessment under the rules authorized by this section shall not limit the authority of the Secretary of Natural Resources to seek or recover natural resource damages under other State law, federal law, or common law.

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within the terms of its permit, certification, license, or other authorization.

- (e) Limitations. The natural resource damages authorized under this section and the requirements for assessment under the rules authorized by this section shall not limit the authority of the Secretary of Natural Resources to seek or recover natural resource damages under other State law, federal law, or common law.
- other natural resource trustee shall not recover natural resource damages under this section for the costs of damage assessment or restoration, rehabilitation, or acquisition of equivalent resources or services recovered by the Secretary or the other trustee under other authority of this chapter or other law for the same release of hazardous material and the same natural resource.
- (g) Actions for natural resource damages. No action may be commenced for natural resource damages under this chapter, unless that action is commenced within six years after the date of the discovery of the loss and its connection with the release of hazardous material in question.
- (h) Limit on preenactment damages. There shall be no recovery under this section for natural resource damages that occurred wholly before the adoption of rules under subsection (c) of this section.
- (i) Use of funds. Damages recovered as natural resource damages shall be deposited in the Environmental Contingency Fund established pursuant

H.595: Senate Proposal of Amendment H.595: House Further Proposal of Amendment to section 1283 of this title. Sec. 10. NATURAL RESOURCES DAMAGES: Sec. 9. NATURAL RESOURCE DAMAGES: COMMENCEMENT: ADOPTION COMMENCEMENT: ADOPTION (a) The Secretary of Natural Resources shall consult (a) The Secretary of Natural Resources shall consult with interested parties in the adoption of rules under 10 with interested parties and parties with expertise in natural resource damage assessment and valuation in V.S.A. § 6615d. the adoption of rules under 10 V.S.A. § 6615d. The Secretary shall convene a working group as part of this consultation. The Secretary shall convene the working group on or before July 1, 2016. (b) On or before February 1, 2017, the Secretary of Natural Resources shall submit to the Senate and House Committees on Natural Resources and Energy and the House Committee on Fish, Wildlife and Water Resources a copy of the draft rules for natural resource damages required under 10 V.S.A. § 6615d for review and any recommended amendments to 10 V.S.A. § 6615d for review. (b) The Secretary of Natural Resources shall (c) The Secretary of Natural Resources shall commence rulemaking under 10 V.S.A. § 6615d on or commence rulemaking under 10 V.S.A. § 6615d on or before January 1, 2017. The Secretary shall adopt rules before July 1, 2017. The Secretary shall adopt rules under 10 V.S.A. § 6615d on or before November 1, under 10 V.S.A. § 6615d on or before March 1, 2018. 2017. (c) On or before February 15, 2017, the Secretary of Natural Resources shall submit to the Senate and House Committees on Natural Resources and Energy and the House Committee on Fish, Wildlife and Water Resources a copy of the draft rules for natural resource damages required under 10 V.S.A. § 6615d for review.

providing reasonable grounds that a release or

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H.595: Senate Proposal of Amendment H.595: House Further Proposal of Amendment (d) The Secretary of Natural Resources shall not (d) The Secretary of Natural Resources shall not seek natural resources damages under 10 V.S.A. seek natural resource damages under 10 V.S.A. § 6615d § 6615d until the rules required under 10 V.S.A. until the rules required under 10 V.S.A. § 6615d(c) § 6615d(c) are effective. have taken effect. Sec. 11. 10 V.S.A. § 8005(b) is amended to read: [See Sec. 7 of House Further Proposal] (b) Access orders and information requests. (1) A Superior Court judge shall issue an access order when access has been refused and the investigator, by affidavit, describes the property to be examined and identifies: (A) a provision of a permit that authorizes the inspection; or (B) the property as being scheduled for inspection in accordance with a neutral inspection program adopted by the Secretary or the Natural Resources Board; or (C) facts providing reasonable grounds to believe that a violation exists and that an examination of the specifically described property will be of material aid in determining the existence of the violation. (2) A Superior Court shall issue an order requiring compliance with an information request submitted pursuant to section 6615c of this title when: (A) the person served with the request fails to respond to the request in the time frame identified by the **Secretary**; (B) the Secretary submits, by affidavit, facts

H.595: Senate Proposal of Amendment H.595: House Further Proposal of Amendment threatened release has taken place; and (C) the information will be of material aid in responding to the release or threatened release. (3) Issuance of an access order shall not negate the Secretary's authority to initiate criminal proceedings in the same matter by referring the matter to the Office of the Attorney General or a State's Attorney. * * * Working Group on Toxic Chemicals * * * Sec. 10. AGENCY OF NATURAL RESOURCES' Sec. 12. AGENCY OF NATURAL RESOURCES' WORKING GROUP ON TOXIC CHEMICAL USE IN WORKING GROUP ON TOXIC CHEMICAL USE IN THE STATE THE STATE (a) Formation. On or before July 1, 2016, the (a) Formation. On or before July 1, 2016, the Secretary of Natural Resources shall establish a Secretary of Natural Resources shall establish a working group of interested parties to develop working group of interested parties and parties with recommendations for how to improve the ability of the expertise in the field of toxic chemical use and regulation to develop recommendations for how to State to: improve the ability of the State to: (1) prevent citizens and communities in the State (1) prevent citizens and communities in the State from being exposed to toxic chemicals, hazardous from being exposed to toxic chemicals, hazardous materials, or hazardous wastes; materials, or hazardous wastes; (2) identify and regulate the use of toxic (2) identify and regulate the use of toxic chemicals or hazardous materials that currently are chemicals or hazardous materials that currently are unregulated by the State; and unregulated by the State; and (3) inform communities and citizens in the State (3) inform communities and citizens in the State of potential exposure to toxic chemicals, including of potential exposure to toxic chemicals, including contamination of groundwater, public drinking water contamination of groundwater, public drinking water systems, and private potable water supplies systems, and private potable water supplies

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(b) Duties. The Working Group shall:

- (1) recommend actions the State of Vermont could take to improve how data is collected and what data is collected regarding the location of sites where toxic chemicals, hazardous materials, or hazardous waste is used, stored, or managed; and the proximity of these sites to both public and private water supplies;
- (2) recommend actions the State of Vermont could take to improve what information is made available to the public, and how it is made publically available, regarding the risks to private and public drinking water supplies and groundwater from toxic chemicals, hazardous materials, or hazardous waste;
- (3) recommend actions the State of Vermont could take to improve the identification process and consistency of listing and regulating hazardous materials, hazardous waste, and toxic chemicals regulated within DEC and the Department of Health, to ensure the State is adequately identifying chemicals that pose a threat to human health, and that it has the necessary tools to prevent and respond to chemical threats to human health;
- (4) recommend actions the State of Vermont could take to improve the prevention, detection, and response to the contamination of public drinking water supplies and groundwater from toxic chemicals, hazardous materials, or hazardous waste;
- (5) identify potential fiscal issues related to its recommendations, and make recommendations on actions the State of Vermont could take to better fund

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- (b) Duties. The Working Group shall:
- (1) Identify the existing State or federal programs that establish reporting or management requirements regarding the use or generation of a toxic substance, hazardous waste, or hazardous material. The Working Group shall identify how those programs identify the toxic substance, hazardous waste, or hazardous material for regulation and briefly describe the management of the waste or substance.
- (2) Evaluate the State or federal programs identified in subdivision (1) of this subsection to determine:
- (A) the program's effectiveness in preventing releases of toxic substances, hazardous wastes, or hazardous materials;
- (B) whether gaps or duplication exists
 between the programs that should be addressed to
 reduce threats to human health and the environment;
 and
- (C) whether the programs are adequately funded and staffed to meet their statutory and regulatory purpose.
- (3) Identify State or federal programs that require a response to the release to a toxic substance, hazardous waste, or hazardous material and assess their effectiveness in responding to releases in a manner that minimizes impacts to human health and the environment.
- (4) Identify programs in place in other states that address the threat to human health and the environment

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existing programs and any recommended	from emerging contaminants and assess their
improvements; and	effectiveness in accomplishing those objectives.
(6) develop recommended legislative changes	(5) Evaluate the State of Vermont's existing
that may be needed to implement recommendations and	sources of publicly available information about toxic
strategies.	chemicals, including emerging contaminants, hazardous
	waste, and hazardous materials in Vermont.
	(6) Evaluate whether civil remedies under
	Vermont law are sufficient to ensure that private
	individuals are adequately protected from releases of
	hazardous materials, hazardous wastes, and toxic
	chemicals and that persons responsible for such releases
	pay for any harm caused.
	(7) Evaluate the obligations on the
	Environmental Contingency Fund established under 10
	V.S.A. § 1283 and funding alternatives that would
	ensure the long-term solvency of the Fund.
(c) The Working Group shall submit a report to the	(c) The Working Group shall submit a report to the
Senate and House Committees on Natural Resources	Senate and House Committees on Natural Resources
and Energy and to the House Committee on Fish,	and Energy and to the House Committee on Fish,
Wildlife and Water Resources with its findings and	Wildlife and Water Resources with its findings and
recommendations on or before January 15, 2017.	recommendations on or before January 15, 2017.
	* * * Chemicals of High Concern to Children * * *
	Sec. 11. 18 V.S.A. § 1775 is amended to read:
	§ 1775. DISCLOSURE OF INFORMATION ON
	CHEMICALS OF HIGH CONCERN
	(a) Notice of chemical of high concern to children.
	Unless the Commissioner adopts by rule a phased in
	reporting requirement under section 1776 of this title,
	beginning on July 1, 2016, and biennially thereafter, a

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	A manufacturer of a children's product or a trade
	association representing a manufacturer of children's
	products shall submit to the Department the notice
	described in subsection (b) of this section for each
	chemical of high concern to children in a children's
	product if a chemical of high concern to children is:
	* * *
	(1) Submission of notice; dates. Unless the
	Commissioner adopts by rule a phased-in reporting
	requirement under section 1776 of this title, a
	manufacturer shall submit the notice required under
	subsection (a) of this section by:
	(1) January 1, 2017; and
	(2) August 31, 2018, and biennially thereafter.
	* * * Basin Planning; Natural Resources Conservation
	Council * * *
	Sec. 12. 10 V.S.A. § 1253(d) is amended to read:
	(d)(1) 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

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	commissions and natural resource conservation districts
	the Natural Resources Conservation Council, shall
	revise all 15 basin plans and update the basin plans on a
	five-year rotating basis. On or before January 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. The report shall
	include a summary of basin planning activities in the
	previous calendar year, 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:
	* * *
	(G) 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 shall, contingent upon the
	availability of funding, contract with a regional
	planning commission or the Natural Resources
	Conservation Council to assist in or to produce a basin

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	plan under the schedule set forth in subdivision (1) of
	this subsection. When contracting with a regional
	planning commission or the Natural Resources
	Conservation Council to assist in or produce a basin
	plan, the Secretary may require the regional planning
	commission or the Natural Resources Conservation
	Council 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; or
	(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.
	* * * State Grants; Water Quality Certification * * *
	Sec. 13. SECRETARY OF ADMINISTRATION;
	WATER QUALITY STANDARDS CERTIFICATION
	FOR STATE-FUNDED GRANTS; REPORT
	(a) As used in this section:
	(1) "Applicant" shall include all entities,
	including businesses in which the applicant has a
	greater than 10 percent interest, or land owned or
	controlled by the applicant.
	(2) "Good standing" means the applicant:

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	(A) is not a named party in any administrative
	order, consent decree, or judicial order relating to
	Vermont water quality standards issued by the State or
	any of its agencies or departments; and
	(B) is in compliance with all federal and State
	water quality laws and regulations.
	(b)(1) The Secretary of Administration shall amend
	the Standard State Provisions for Contracts and Grants,
	referred to as Attachment C to Administrative Bulletin
	5, to require an applicant for a State-funded grant to
	certify, under penalty of perjury, that the applicant is in
	good standing with the Agency of Natural Resources
	and the Agency of Agriculture, Food and Markets.
	(2) The requirement under this subsection shall
	allow for an attachment or include space for an
	applicant who cannot certify under subdivision (1) of
	this subsection to explain the circumstances
	surrounding the applicant's inability to certify under
	subdivision (1) of this subsection.
	(3) At any time prior to the award of a State-
	funded grant or during implementation of a State-
	funded grant, an applicant shall notify the State agency
	or department administering the State-funded grant if
	the applicant is no longer in good standing with the
	Agency of Natural Resources or the Agency of
	Agriculture, Food and Markets.
	(c) A State agency or department may consider an
	applicant's certification or explanation under subsection
	(b) of this section in determining whether or not to
	award a State-funded grant to the applicant.

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	(d)(1) If a State-funded grant applicant knowingly
	provides a false certification or explanation under
	subsection (b) of this section or fails to notify the State
	agency or department administering the State-funded
	grant if the applicant is no longer in good standing with
	the Agency of Natural Resources or the Agency of
	Agriculture, Food and Markets as required in
	subdivision (b)(3) of this section, the State or its
	agencies or departments may:
	(A) seek to recover the grant award; and
	(B) deny any future grant award to the
	applicant, based on the false certification or explanation
	or failure to notify, for up to five years.
	(2) In recovering a grant award under this
	section, the State or its agencies or departments shall be
	entitled to costs and expenses, including attorney's fees.
	(e) This section shall not apply to federally funded
	grants, contracts, or tax credits or federal or State loan
	programs.
	(f) On or before January 15, 2021, the Secretary of
	Administration shall submit a report to the House
	Committees on Fish, Wildlife and Water Resources and
	on Commerce and Economic Development and the
	Senate Committees on Natural Resources and Energy
	and on Economic Development, Housing and General
	Affairs regarding methods to require all economic
	development assistance applications to include a
	certification that the applicant is not in violation of the
	requirements of programs enforced by the Agency of
	Natural Resources under 10 V.S.A. § 8003(a). The

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	report shall also include information regarding any
	enforcement action taken by the State or its agencies or
	departments under subsection (d) of this section.
	* * * Effective Dates * * *
Sec. 13. EFFECTIVE DATES	Sec. 14. EFFECTIVE DATES
(a) This section and Secs. 1 (ANR authorization to	(a) This act shall take effect on passage, except that:
adopt surface water rules), 3 (surface water source	(1) Sec. 13 (State grants; water quality
rules; potable water supply), 6 (certification of	certification) shall take effect on July 1, 2016; and
laboratories), 7 (Environmental Contingency Fund), 8	(2) Sec. 2 (permitting of surface water sources)
(ANR information requests), 9–10 (natural resources	shall take effect on July 1, 2017.
damages), 11 (ANR enforcement), and 12 (ANR	
working group on toxic chemicals) shall take effect on	
passage.	
(b) Secs. 4–5 (testing of new groundwater sources)	
shall take effect on passage, except that 10 V.S.A.	
§ 1982(b) (the requirement to test new groundwater	
sources) shall take effect on January 1, 2017.	
(c) Sec. 2 (permitting of surface water sources) shall	
take effect July 1, 2017.	