

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Fish, Wildlife and Water Resources to which was
3 referred House Bill No. 35 entitled “An act relating to improving the quality of
4 State waters” respectfully reports that it has considered the same and
5 recommends that the bill be amended by striking out all after the enacting
6 clause and inserting in lieu thereof the following:

7 * * * Purpose * * *

8 Sec. 1. PURPOSE; IMPROVEMENT OF WATER QUALITY

9 It is the purpose of this act to:

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

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

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

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

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

4 * * * Agricultural Water Quality;

5 Definitions * * *

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

7 § 4802. ~~DEFINITION~~ DEFINITIONS

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

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

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

12 § 6001(22).

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

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

20 (5) “Waste” or “agricultural waste” means material originating or
21 emanating from a farm that is determined by the Secretary or the Secretary of

1 Natural Resources to be harmful to the waters of the State, including:
2 sediments; minerals, including heavy metals; plant nutrients; pesticides;
3 organic wastes, including livestock waste, animal mortalities, compost, feed
4 and crop debris; waste oils; pathogenic bacteria and viruses; thermal pollution;
5 silage runoff; untreated milkhouse waste; and any other farm waste as the term
6 “waste” is defined in 10 V.S.A. § 1251 (12).

7 (6) “Water” shall have the same meaning as used in 10 V.S.A.
8 § 1251(13).

9 * * * Agricultural Water Quality;

10 Small Farm Certification and Inspection * * *

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

12 Subchapter 5a. Small Farm Certification

13 § 4871. SMALL FARM CERTIFICATION

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

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

17 (2) houses no more than the number of animals specified under section
18 4857 of this title; and

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

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

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

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

17 (d) Small farm inspection. The Secretary may inspect a small farm in the
18 State at any time for the purposes of assessing compliance by the small farm
19 with the accepted agricultural practices and determining consistency with a
20 certification of compliance submitted by the person who owns or operates the

1 small farm. The Secretary may prioritize inspections of small farms in the
2 State based on identified water quality issues posed by a small farm.

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

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

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

19 (3) Notwithstanding the priority system established by subdivision (2) of
20 this subsection, the Secretary may provide financial assistance to a small farm
21 at any time, regardless of the priority ranking system, if the Secretary

1 determines that the farm needs assistance to address a water quality issue that
2 requires immediate abatement.

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

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

8 § 4810a. ACCEPTABLE AGRICULTURAL PRACTICES; REVISION

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

15 (1) Specify those farms that:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

19 (b) On or before January 15, 2018, the Secretary of Agriculture, Food and
20 Markets shall amend the accepted agricultural practices in order to include
21 requirements for reducing nutrient contribution to waters of the State from

1 subsurface tile drainage. Upon adoption of requirements for subsurface tile
2 drainage, the Secretary may require an existing subsurface tile drain to comply
3 with the requirements of the AAPs for subsurface tile drainage upon a
4 determination that compliance is necessary to reduce adverse impacts to water
5 quality from the subsurface tile drain.

6 Sec. 5. REPORT ON MANAGEMENT OF SUBSURFACE TILE
7 DRAINAGE

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

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

7 * * * Agricultural Water Quality; Permit Fees * * *

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

9 § 4803. AGRICULTURAL WATER QUALITY SPECIAL FUND

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

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

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

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

2 § 4851. PERMIT REQUIREMENTS FOR LARGE FARM OPERATIONS

3 (a) No person shall, without a permit from the ~~secretary~~ Secretary,
4 construct a new barn, or expand an existing barn, designed to house more than
5 700 mature dairy animals, 1,000 cattle or cow/calf pairs, 1,000 veal calves,
6 2,500 swine weighing over 55 pounds, 10,000 swine weighing less than 55
7 pounds, 500 horses, 10,000 sheep or lambs, 55,000 turkeys, 30,000 laying hens
8 or broilers with a liquid manure handling system, 82,000 laying hens without a
9 liquid manure handling system, 125,000 chickens other than laying hens
10 without a liquid manure handling system, 5,000 ducks with a liquid manure
11 handling system, or 30,000 ducks without a liquid manure handling system.
12 No permit shall be required to replace an existing barn in use for livestock or
13 domestic fowl production at its existing capacity. The ~~secretary of agriculture,~~
14 ~~food and markets~~ Secretary of Agriculture, Food and Markets, in consultation
15 with the ~~secretary of natural resources~~ Secretary of Natural Resources, shall
16 review any application for a permit under this section with regard to water
17 quality impacts and, prior to approval of a permit under this subsection, shall
18 issue a written determination regarding whether the applicant has established
19 that there will be no unpermitted discharge to waters of the ~~state~~ State pursuant
20 to the federal regulations for concentrated animal feeding operations. If upon
21 review of an application for a permit under this subsection, the ~~secretary of~~

1 ~~agriculture, food and markets~~ Secretary of Agriculture, Food and Markets
2 determines that the permit applicant may be discharging to waters of the ~~state~~
3 State, the ~~secretary of agriculture, food and markets~~ Secretary of Agriculture,
4 Food and Markets and the ~~secretary of natural resources~~ Secretary of Natural
5 Resources shall respond to the discharge in accordance with the memorandum
6 of understanding regarding concentrated animal feeding operations under
7 subsection ~~4810(b)~~ 4810 of this title. The ~~secretary of natural resources~~
8 Secretary of Natural Resources may require a large farm to obtain a permit
9 under 10 V.S.A. § 1263 pursuant to federal regulations for concentrated animal
10 feeding operations.

11 * * *

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

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

17 § 4858. ~~ANIMAL WASTE PERMITS~~ MEDIUM FARM OPERATION

18 PERMITS

19 (a) No person shall operate a medium farm without authorization from the
20 ~~secretary~~ Secretary pursuant to this section. Under exceptional conditions,

1 specified in subsection ~~(e)~~(d) of this section, authorization from the ~~secretary~~
2 Secretary may be required to operate a small farm.

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

8 * * *

9 (2) The rules adopted under this section shall also address permit
10 administration, public notice and hearing, permit enforcement, permit
11 transition, revocation, and appeals consistent with provisions of sections 4859,
12 ~~4860~~, and 4861 of this title and subchapter 10 of this chapter.

13 * * *

14 (c)(1) Medium farm general permit. The owner or operator of a medium
15 farm seeking coverage under a general permit adopted pursuant to this section
16 shall certify to the ~~secretary~~ Secretary within a period specified in the permit,
17 and in a manner specified by the ~~secretary~~ Secretary, that the medium farm
18 does comply with permit requirements regarding an adequately sized and
19 designed manure management system to accommodate the wastes generated
20 and a nutrient management plan to dispose of wastes in accordance with
21 accepted agricultural practices adopted under this chapter. Any certification or

1 notice of intent to comply submitted under this subdivision shall be kept on file
2 at the ~~agency of agriculture, food and markets~~ Agency of Agriculture, Food
3 and Markets. The ~~secretary of agriculture, food and markets~~ Secretary of
4 Agriculture, Food and Markets, in consultation with the ~~secretary of natural~~
5 ~~resources~~ Secretary of Natural Resources, shall review any certification or
6 notice of intent to comply submitted under this subdivision with regard to the
7 water quality impacts of the medium farm for which the owner or operator is
8 seeking coverage, and, within 18 months of receiving the certification or notice
9 of intent to comply, shall verify whether the owner or operator of the medium
10 farm has established that there will be no unpermitted discharge to waters of
11 the ~~state~~ State pursuant to the federal regulations for concentrated animal
12 feeding operations. If upon review of a medium farm granted coverage under
13 the general permit adopted pursuant to this subsection, the ~~secretary of~~
14 ~~agriculture, food and markets~~ Secretary of Agriculture, Food and Markets
15 determines that the permit applicant may be discharging to waters of the ~~state~~
16 State, the ~~secretary of agriculture, food and markets~~ Secretary of Agriculture,
17 Food and Markets and the ~~secretary of natural resources~~ Secretary of Natural
18 Resources shall respond to the discharge in accordance with the memorandum
19 of understanding regarding concentrated animal feeding operations under
20 ~~subsection 4810(b)~~ section 4810 of this title.

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(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

1 created by subsection 364(e) of this title. Funds deposited in this account shall
2 be restricted to implementing and administering the provisions of this title and
3 any other provisions of the law relating to fertilizer, lime, or seeds. Of the
4 registration fees collected, \$15.00 of each collected fee shall be deposited in
5 the Agricultural Water Quality Special Fund created under section 4803 of this
6 title. If the Secretary so requests, the application for registration shall be
7 accompanied by a label or other printed matter describing the product.

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

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

17 § 328. TONNAGE REPORTING

18 (a) Every person who registers a commercial feed pursuant to the
19 provisions of this chapter shall report to the ~~agency of agriculture, food and~~
20 ~~markets~~ Agency of Agriculture, Food and Markets annually the total amount of
21 combined feed which is distributed within the state and which is intended for

1 use within the ~~state~~ State. The report shall be made on forms and in a manner
2 to be prescribed ~~by rules~~ by the ~~secretary~~ Secretary for calendar years ~~1986~~
3 2016 and ~~1987~~ 2017.

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

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

8 § 366. TONNAGE FEES

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

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

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

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

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

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

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

11 (h) There shall be paid annually to the Secretary for all fertilizers
12 distributed to a nonregistrant consumer in this State an annual fee at a rate of
13 \$15.00 per ton for the purpose of supporting agricultural water quality
14 programs in Vermont.

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

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

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

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

9 (5) All fees collected under this subsection shall be deposited in the
10 deposited in the Agricultural Water Quality Special Fund created under section
11 4803 of this title.

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

13 § 918. REGISTRATION

14 (a) Every economic poison which is distributed, sold, or offered for sale
15 within this State or delivered for transportation or transported in intrastate
16 commerce or between points within this State through any point outside this
17 State shall be registered in the Office of the Secretary, and such registration
18 shall be renewed annually; provided, that products which have the same
19 formula, are manufactured by the same person, the labeling of which contains
20 the same claims, and the labels of which bear a designation identifying the
21 product as the same economic poison may be registered as a single economic

1 poison; and additional names and labels shall be added by supplement
2 statements during the current period of registration. It is further provided that
3 any economic poison imported into this State, which is subject to the
4 provisions of any federal act providing for the registration of economic poisons
5 and which has been duly registered under the provisions of this chapter, may,
6 in the discretion of the Secretary, be exempted from registration under this
7 chapter, when sold or distributed in the unbroken immediate container in
8 which it was originally shipped. The registrant shall file with the Secretary a
9 statement including:

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

12 (2) The name of the economic poison.

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

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

20 (b) The registrant shall pay an annual fee of ~~\$110.00~~ \$125.00 for each
21 product registered, and \$110.00 of that amount shall be deposited in the special

1 fund created in section 929 of this title, of which \$5.00 from each product
2 registration shall be used for an educational program related to the proper
3 purchase, application, and disposal of household pesticides, and \$5.00 from
4 each product registration shall be used to collect and dispose of obsolete and
5 unwanted pesticides. Of the registration fees collected under this subsection,
6 \$15.00 of the amount collected shall be deposited in the Agricultural Water
7 Quality Special Fund created under section 4803 of this title. The annual
8 registration year shall be from December 1 to November 30 of the following
9 year.

10 * * *

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

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

13 § 4810. AUTHORITY; COOPERATION; COORDINATION

14 (a) Agricultural land use practices. In accordance with 10 V.S.A.
15 § 1259(i), the ~~secretary~~ Secretary shall adopt by rule, pursuant to 3 V.S.A.
16 chapter 25 of Title 3, and shall implement and enforce agricultural land use
17 practices in order to ~~reduce the amount of agricultural pollutants entering the~~
18 ~~waters of the state~~ satisfy the requirements of 33 U.S.C. § 1329 that the State
19 identify and implement best management practices to control nonpoint sources
20 of agricultural waste to waters of the State. These agricultural land use

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

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

1 (c) Enhanced Practices.

2 (1) As used in this subsection:

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

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

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

16 (2)(d) Best Management Practices. “Best Management Practices”
17 (BMPs) may be required by the secretary on a case by case basis. Before
18 requiring BMPs, the secretary shall determine that sufficient financial
19 assistance is available to assist farmers in achieving compliance with
20 applicable BMPs. Best management practices (BMPs) are site-specific
21 on-farm remedies implemented in order to address water quality problems and

1 in order to achieve compliance with the requirements of this chapter or State
2 water quality standards. The Secretary may require any person engaged in
3 farming to implement a BMP. When requiring implementation of a BMP, the
4 Secretary shall inform a person engaged in farming of the resources available
5 to assist the person in implementing BMPs and complying with the
6 requirements of this chapter. BMPs shall be practical and cost effective to
7 implement, as determined by the Secretary, and shall be designed to achieve
8 compliance with the requirements of this chapter.

9 ~~(b)(c)~~ Cooperation and coordination. The ~~secretary of agriculture, food and~~
10 ~~markets~~ Secretary of Agriculture, Food and Markets shall coordinate with the
11 ~~secretary of natural resources~~ Secretary of Natural Resources in implementing
12 and enforcing programs, plans, and practices developed for reducing and
13 eliminating agricultural non-point source pollutants and discharges from
14 concentrated animal feeding operations. The ~~secretary of agriculture, food and~~
15 ~~markets~~ Secretary of Agriculture, Food and Markets and the ~~secretary of~~
16 ~~natural resources~~ Secretary of Natural Resources shall develop a memorandum
17 of understanding for the non-point program describing program administration,
18 grant negotiation, grant sharing, and how they will coordinate watershed
19 planning activities to comply with Public Law 92-500. The ~~secretary of~~
20 ~~agriculture, food and markets~~ Secretary of Agriculture, Food and Markets and
21 the ~~secretary of the agency of natural resources~~ Secretary of Natural Resources

1 shall also develop a memorandum of understanding according to the public
2 notice and comment process of 10 V.S.A. § 1259(i) regarding the
3 implementation of the federal concentrated animal feeding operation program
4 and the relationship between the requirements of the federal program and the
5 ~~state~~ State agricultural water quality requirements for large, medium, and small
6 farms under this chapter 215 of this title. The memorandum of understanding
7 shall describe program administration, permit issuance, an appellate process,
8 and enforcement authority and implementation. The memorandum of
9 understanding shall be consistent with the federal National Pollutant Discharge
10 Elimination System permit regulations for discharges from concentrated
11 animal feeding operations. The allocation of duties under this chapter between
12 the ~~secretary of agriculture, food and markets~~ Secretary of Agriculture, Food
13 and Markets and the ~~secretary of natural resources~~ Secretary of Natural
14 Resources shall be consistent with the ~~secretary's~~ Secretary's duties,
15 established under the provisions of 10 V.S.A. § 1258(b), to comply with Public
16 Law 92-500. The ~~secretary of natural resources~~ Secretary of Natural
17 Resources shall be the ~~state~~ State lead person in applying for federal funds
18 under Public Law 92-500, but shall consult with the ~~secretary of agriculture,~~
19 ~~food and markets~~ Secretary of Agriculture, Food and Markets during the
20 process. The agricultural non-point source program may compete with other
21 programs for competitive watershed projects funded from federal funds. The

1 ~~secretary of agriculture, food and markets~~ Secretary of Agriculture, Food and
2 Markets shall be represented in reviewing these projects for funding. Actions
3 by the ~~secretary of agriculture, food and markets~~ Secretary of Agriculture,
4 Food and Markets under this chapter concerning agricultural non-point source
5 pollution shall be consistent with the water quality standards and water
6 pollution control requirements of 10 V.S.A. chapter 47 ~~of Title 10~~ and the
7 federal Clean Water Act as amended. In addition, the ~~secretary of agriculture,~~
8 ~~food and markets~~ Secretary of Agriculture, Food and Markets shall coordinate
9 with the ~~secretary of natural resources~~ Secretary of Natural Resources in
10 implementing and enforcing programs, plans, and practices developed for the
11 proper management of composting facilities when those facilities are located
12 on a farm.

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

14 § 4813. BASIN MANAGEMENT; APPEALS TO THE WATER

15 ~~RESOURCES BOARD~~ ENVIRONMENTAL DIVISION

16 (a) The ~~secretary of agriculture, food and markets~~ Secretary of Agriculture,
17 Food and Markets shall cooperate with the ~~secretary of natural resources~~
18 Secretary of Natural Resources in the basin planning process with regard to the
19 agricultural non-point source waste component of each basin plan. Any person
20 with an interest in the agricultural non-point source component of the basin
21 planning process may petition the ~~secretary of agriculture, food and markets~~

1 Secretary of Agriculture, Food and Markets to require, and the ~~secretary~~
2 Secretary may require, best management practices in the individual basin
3 beyond accepted agricultural practices adopted by rule, in order to achieve
4 compliance with the water quality goals in 10 V.S.A. § 1250 and any duly
5 adopted basin plan. The ~~secretary of agriculture, food and markets~~ Secretary
6 of Agriculture, Food and Markets shall hold a public hearing within 60 days
7 and shall issue a timely written decision that sets forth the facts and reasons
8 supporting the decision.

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

16 (c) ~~Before requiring best management practices under this section, the~~
17 ~~secretary of agriculture, food and markets or the board shall determine that~~
18 ~~sufficient financial assistance is available to assist farmers in achieving~~
19 ~~compliance with applicable best management practices~~ When requiring
20 implementation of a best management practice, the Secretary shall inform a

1 farmer of the resources available to assist the farmer in implementing the best
2 management practice and complying with the requirements of this chapter.

3 * * * Agricultural Water Quality; Training * * *

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

5 Subchapter 8. Agricultural Water Quality Training

6 § 4981. AGRICULTURAL WATER QUALITY TRAINING

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

11 (1) the prevention of discharges, as that term is defined in 10 V.S.A.
12 § 1251(3); and

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

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

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

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

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

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

14 * * * Agricultural Water Quality;
15 Certification of Custom Applicators * * *

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

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

19 § 4987. DEFINITIONS

20 As used in this subchapter:

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

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

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

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

14 § 4988. CERTIFICATION OF CUSTOM APPLICATOR

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

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

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

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

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

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

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

12 Subchapter 10. Enforcement

13 § 4991. PURPOSE

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

21 (1) issuing a corrective action order under section 4992 of this title;

1 (2) issuing a cease and desist order under section 4993 of this title;

2 (3) issuing an emergency order under section 4993 of this title;

3 (4) revoking or conditioning coverage under a permit or certification
4 under section 4994 of this title;

5 (5) bringing a civil enforcement action under section 4995 of this title;

6 (6) referring the violation to the Secretary of Natural Resources for
7 enforcement under 10 V.S.A. chapter 201; or

8 (7) pursuing other action, such as consulting with a farmer, within the
9 authority of the Secretary to assure discontinuance of the violation and
10 remediation of any harm caused by the violation.

11 § 4992. CORRECTIVE ACTIONS; ADMINISTRATIVE ENFORCEMENT

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

17 (1) a description of the alleged violation;

18 (2) identification of this section;

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

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

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

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

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

13 § 4993. ADMINISTRATIVE ENFORCEMENT; CEASE AND DESIST
14 ORDERS; EMERGENCY ORDERS

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

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

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

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

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

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

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

14 (4) Order mandatory corrective actions, including a requirement to
15 remove livestock from a farm or production area when the volume of waste
16 produced by livestock on the farm exceeds the infrastructure capacity of the
17 farm or the production area to manage the waste or waste leachate and prevent
18 runoff or leaching of wastes to waters of the State or groundwater, as required
19 by this chapter.

20 (5) Seek administrative or civil penalties in accordance with the
21 requirements of section 15, 16, 17, or 4995 of this title. Notwithstanding the

1 requirements of section 15 of this title to the contrary, the maximum
2 administrative penalty issued by the Secretary under this section shall not
3 exceed \$5,000.00 for each violation, and the maximum amount of any
4 administrative penalty assessed for separate and distinct violations of this
5 chapter shall not exceed \$50,000.00.

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

12 § 4994. PERMIT OR CERTIFICATION; REVOCATION; ENFORCEMENT

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

1 violates the terms or conditions of coverage under any general permit, any
2 individual permit, or any certification issued under this chapter.

3 § 4995. CIVIL ENFORCEMENT

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

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

12 (1) Enjoin future activities.

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

20 (3) Order the design, construction, installation, operation, or
21 maintenance of facilities designed to mitigate or prevent a violation of this

1 chapter or to protect human health or the environment or designed to assure
2 compliance.

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

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

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

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

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

20 (A) a violation exists; or

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

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

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

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

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

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

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

15 (4) the respondent's record of compliance;

16 (5) the deterrent effect of the penalty;

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

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

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

1 § 4996. APPEALS; ENFORCEMENT

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

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

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

2 § 4812. ~~CORRECTIVE ACTIONS~~

3 ~~(a) When the Secretary of Agriculture, Food and Markets determines that a~~
4 ~~person engaged in farming is managing a farm using practices which are~~
5 ~~inconsistent with the requirements of this chapter or rules adopted under this~~
6 ~~subchapter, the Secretary may issue a written warning which shall be served in~~
7 ~~person or by certified mail, return receipt requested. The warning shall include~~
8 ~~a brief description of the alleged violation, identification of this statute and~~
9 ~~applicable rules, a recommendation for corrective actions that may be taken by~~
10 ~~the person, along with a summary of federal and State assistance programs~~
11 ~~which may be utilized by the person to remedy the violation. The person shall~~
12 ~~have 30 days to respond to the written warning and shall provide an abatement~~
13 ~~schedule for curing the violation and a description of the corrective action to be~~
14 ~~taken to cure the violation. If the person fails to respond to the written warning~~
15 ~~within this period or to take corrective action to change the practices, the~~
16 ~~Secretary may act pursuant to subsection (b) of this section in order to protect~~
17 ~~water quality.~~

18 ~~(b) The Secretary may:~~

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

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

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

9 ~~(d) [Repealed.]~~

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

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

16 § 4854. **REVOCATION; ENFORCEMENT**

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

1 ~~apply for a permit as required by this subchapter, or who violates the terms or~~
2 ~~conditions of a permit issued under this subchapter. However, notwithstanding~~
3 ~~the provisions of section 15 of this title to the contrary, the maximum~~
4 ~~administrative penalty assessed for a violation of this subchapter shall not~~
5 ~~exceed \$5,000.00 for each violation, and the maximum amount of any penalty~~
6 ~~assessed for separate and distinct violations of this chapter shall not exceed~~
7 ~~\$50,000.00. [Repealed.]~~

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

9 § 4860. ~~REVOCATION; ENFORCEMENT~~

10 (a) ~~The secretary may revoke coverage under a general permit or an~~
11 ~~individual permit issued under this subchapter after following the same process~~
12 ~~prescribed by section 2705 of this title regarding the revocation of a handler's~~
13 ~~license. The secretary may also seek enforcement remedies under sections 1,~~
14 ~~11, 12, 13, 16, and 17 of this title as well as assess an administrative penalty~~
15 ~~under section 15 of this title from any person who fails to comply with any~~
16 ~~permit provision as required by this subchapter or who violates the terms or~~
17 ~~conditions of coverage under any general permit or any individual permit~~
18 ~~issued under this subchapter. However, notwithstanding provisions of section~~
19 ~~15 of this title to the contrary, the maximum administrative penalty assessed~~
20 ~~for a violation of this subchapter shall not exceed \$5,000.00 for each violation,~~

1 ~~and the maximum amount of any penalty assessed for separate and distinct~~
2 ~~violations of this chapter shall not exceed \$50,000.00.~~

3 ~~(b) Any person who violates any provision of this subchapter or who fails~~
4 ~~to comply with any order or the terms of any permit issued in accordance with~~
5 ~~this subchapter shall be fined not more than \$10,000.00 for each violation.~~

6 ~~Each violation may be a separate offense and, in the case of a continuing~~
7 ~~violation, each day's continuance may be deemed a separate offense.~~

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

1 * * * Stream Alteration; Agricultural Activities * * *

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

3 § 1021. ALTERATION PROHIBITED; EXCEPTIONS

4 (a) A person shall not change, alter, or modify the course, current, or cross
5 section of any watercourse or of designated outstanding resource waters,
6 within or along the boundaries of this State either by movement, fill, or
7 excavation of ten cubic yards or more of instream material in any year, unless
8 authorized by the Secretary. A person shall not establish or construct a berm in
9 a flood hazard area or river corridor, as those terms are defined in subdivisions
10 752(3) and (11) of this title, unless permitted by the Secretary or constructed as
11 an emergency protective measure under subsection (b) of this section.

12 * * *

13 (f) This subchapter shall not apply to:

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

19 (2) a farm that is implementing an approved U.S. Department of
20 Agriculture Natural Resource Conservation Service streambank stabilization
21 project or a streambank stabilization project approved by the Secretary of

1 Agriculture, Food and Markets that is consistent with policies adopted by the
2 Secretary of Natural Resources to reduce fluvial erosion hazards.

3 * * *

4 * * * Use Value Appraisal; Compliance with
5 Accepted Agricultural Practices * * *

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

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

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

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

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

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

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

19 § 3758. APPEALS

20 (a) Whenever the Director denies in whole or in part any application for
21 classification as agricultural land or managed forestland or farm buildings, or

1 grants a different classification than that applied for, or the Director or
2 assessing officials fix a use value appraisal or determine that previously
3 classified property is no longer eligible or that the property has undergone a
4 change in use, the aggrieved owner may appeal the decision of the Director to
5 the Commissioner within 30 days of the decision, and from there to Superior
6 Court in the county in which the property is located.

7 * * *

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

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

13 (5) “Development” means, for the purposes of determining whether a
14 land use change tax is to be assessed under section 3757 of this chapter, the
15 construction of any building, road, or other structure, or any mining,
16 excavation, or landfill activity. “Development” also means the subdivision of
17 a parcel of land into two or more parcels, regardless of whether a change in use
18 actually occurs, where one or more of the resulting parcels contains less than
19 25 acres each; but if subdivision is solely the result of a transfer to one or more
20 of a spouse, parent, grandparent, child, grandchild, niece, nephew, or sibling of
21 the transferor, or to the surviving spouse of any of the foregoing, then

1 “development” shall not apply to any portion of the newly created parcel or
2 parcels which qualifies for enrollment and for which, within 30 days following
3 the transfer, each transferee or transferor applies for reenrollment in the use
4 value appraisal program. “Development” also means the cutting of timber on
5 property appraised under this chapter at use value in a manner contrary to a
6 forest or conservation management plan as provided for in subsection 3755(b)
7 of this title during the remaining term of the plan, or contrary to the minimum
8 acceptable standards for forest management if the plan has expired; or a
9 change in the parcel or use of the parcel in violation of the conservation
10 management standards established by the Commissioner of Forests, Parks and
11 Recreation. “Development” also means notification of the Director by the
12 Secretary of Agriculture, Food and Markets under section 3756 of this title that
13 the owner or operator of agricultural land or a farm building is violating the
14 water quality requirements of 6 V.S.A. chapter 215 or is failing to comply with
15 the terms of an order issued under 6 V.S.A. chapter 215, subchapter 10. The
16 term “development” shall not include the construction, reconstruction,
17 structural alteration, relocation, or enlargement of any building, road, or other
18 structure for farming, logging, forestry, or conservation purposes, but shall
19 include the subsequent commencement of a use of that building, road, or
20 structure for other than farming, logging, or forestry purposes.

1 * * * Agency of Natural Resources Basin Planning * * *

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

3 § 1253. CLASSIFICATION OF WATERS DESIGNATED,
4 RECLASSIFICATION

5 * * *

6 (d)(1) ~~The~~ Through the process of basin planning, the Secretary shall
7 determine what degree of water quality and classification should be obtained
8 and maintained for those waters not classified by the Board before 1981
9 following the procedures in sections 1254 and 1258 of this title. Those waters
10 shall be classified in the public interest. The Secretary shall prepare and
11 maintain an overall surface water management plan to assure that the State
12 water quality standards are met in all State waters. The surface water
13 management plan shall include a schedule for updating the basin plans. The
14 Secretary, in consultation with regional planning commissions and natural
15 resource conservation districts, shall revise all ~~17~~ 15 basin plans ~~by January 1,~~
16 ~~2006,~~ and update ~~them every five years thereafter~~ the basin plans on a
17 five-year rotating basis. On or before January ~~1~~ 15 of each year, the Secretary
18 shall report to the House Committees on Agriculture and Forest Products, on
19 Natural Resources and Energy, and on Fish, Wildlife and Water Resources,
20 and to the Senate Committees on Agriculture and on Natural Resources and
21 Energy regarding the progress made and difficulties encountered in revising

1 basin plans. ~~By January 1, 1993, the Secretary shall prepare an overall~~
2 ~~management plan to ensure that the water quality standards are met in all State~~
3 ~~waters. The report shall include a schedule for the production of basin plans in~~
4 ~~the subsequent calendar year and a summary of actions to be taken over the~~
5 ~~subsequent three years. The provisions of 2 V.S.A. § 20(d) (expiration of~~
6 ~~required reports) shall not apply to the report to be made under this subsection.~~

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

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

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

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

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

18 (3) The Secretary may contract with a regional planning commission to
19 assist in or to produce a basin plan under the schedule set forth in subdivision

20 (1) of this subsection. When contracting with a regional planning commission

1 to assist in or produce a basin plan, the Secretary may require the regional
2 planning commission to:

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

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

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

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

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

16 (1) existing and obtainable water qualities;

17 (2) existing and potential use of waters for public water supply,
18 recreational, agricultural, industrial, and other legitimate purposes;

19 (3) natural sources of pollution;

20 (4) public and private pollution sources and the alternative means of
21 abating the same;

1 (5) consistency with the State water quality policy established in
2 10 V.S.A. § 1250;

3 (6) suitability of waters as habitat for fish, aquatic life, and wildlife;

4 (7) need for and use of minimum streamflow requirements;

5 (8) federal requirements for classification and management of waters;

6 (9) consistency with applicable municipal, regional, and State plans; and

7 (10) any other factors relevant to determine the maximum beneficial use
8 and enjoyment of waters.

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

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

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

16 § 4302. PURPOSE; GOALS

17 * * *

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

21 * * *

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

3 * * *

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

6 (A) Vermont's air, water, wildlife, mineral and land resources should
7 be planned for use and development according to the principles set forth in
8 10 V.S.A. § 6086(a).

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

12 * * *

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

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

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

1 * * * Antidegradation Policy Implementation Rule * * *

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

3 (c) On or before ~~January 15, 2008~~ July 1, 2016, the Secretary of Natural
4 Resources shall ~~propose draft rules for~~ adopt by rule an implementation
5 process for the antidegradation policy in the water quality standards of the
6 State. The implementation process for the antidegradation policy shall be
7 consistent with the State water quality policy established in section 1250 of
8 this title, the Vermont Water Quality Standards, and any applicable
9 requirements of the federal Clean Water Act. ~~On or before July 1, 2008, a~~
10 ~~final proposal of the rules for an implementation process for the~~
11 ~~antidegradation policy shall be filed with the Secretary of State under 3 V.S.A.~~
12 ~~§ 841.~~

13 * * * Stormwater Management * * *

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

15 § 1264. STORMWATER MANAGEMENT

16 ~~(a) The General Assembly finds that the management of stormwater runoff~~
17 ~~is necessary to reduce stream channel instability, pollution, siltation,~~
18 ~~sedimentation, and local flooding, all of which have adverse impacts on the~~
19 ~~water and land resources of the State. The General Assembly intends, by~~
20 ~~enactment of this section, to reduce the adverse effects of stormwater runoff.~~
21 ~~The General Assembly determines that this intent may best be attained by a~~

1 ~~process that: assures broad participation; focuses upon the prevention of~~
2 ~~pollution; relies on structural treatment only when necessary; establishes and~~
3 ~~maintains accountability; tailors strategies to the region and the locale; assures~~
4 ~~an adequate funding source; builds broadbased programs; provides for the~~
5 ~~evaluation and appropriate evolution of programs; is consistent with the federal~~
6 ~~Clean Water Act and the State water quality standards; and accords appropriate~~
7 ~~recognition to the importance of community benefits that accompany an~~
8 ~~effective stormwater runoff management program. In furtherance of these~~
9 ~~purposes, the Secretary shall implement two stormwater permitting programs.~~
10 ~~The first program is based on the requirements of the federal National~~
11 ~~Pollutant Discharge Elimination System (NPDES) permit program in~~
12 ~~accordance with section 1258 of this title. The second program is a State~~
13 ~~permit program based on the requirements of this section for the discharge of~~
14 ~~“regulated stormwater runoff” as that term is defined in subdivision (11) of this~~
15 ~~subsection. As used in this section:~~

16 (1) ~~“2002 Stormwater Management Manual” means the Agency of~~
17 ~~Natural Resources’ Stormwater Management Manual dated April 2002, as~~
18 ~~amended from time to time by rule.~~

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

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

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

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

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

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

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

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

4 ~~(10) “Redevelopment” means the construction or reconstruction of an~~
5 ~~impervious surface where an impervious surface already exists when such new~~
6 ~~construction involves substantial site grading, substantial subsurface~~
7 ~~excavation, or substantial modification of existing stormwater conveyance,~~
8 ~~such that the total of impervious surface to be constructed or reconstructed is~~
9 ~~greater than the minimum regulatory threshold. Redevelopment does not mean~~
10 ~~the construction or reconstruction of impervious surface where impervious~~
11 ~~surface already exists when the construction or reconstruction involves less~~
12 ~~than 5,000 square feet. Redevelopment does not mean public road~~
13 ~~management activities, including any crack sealing, patching, coldplaning,~~
14 ~~resurfacing, reclaiming, or grading treatments used to maintain pavement,~~
15 ~~bridges, and unpaved roads.~~

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

20 ~~(12) “Stormwater impact fee” means the monetary charge assessed to a~~
21 ~~permit applicant for the discharge of regulated stormwater runoff to a~~

1 ~~stormwater impaired water that mitigates a sediment load level or hydrologic~~
2 ~~impact that the discharger is unable to control through on-site treatment or~~
3 ~~completion of an offset on a site owned or controlled by the permit applicant.~~

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

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

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

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

19 (17) ~~“Watershed improvement permit” means a general permit specific~~
20 ~~to a stormwater impaired water that is designed to apply management~~
21 ~~strategies to existing and new discharges and that includes a schedule of~~

1 ~~compliance no longer than five years reasonably designed to assure attainment~~
2 ~~of the Vermont water quality standards in the receiving waters.~~

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

8 ~~(19) “Net zero standard” means:~~

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

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

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

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

- 1 ~~(2) Allow for differences in hydrologic characteristics in different parts~~
- 2 ~~of the State.~~
- 3 ~~(3) Incorporate stormwater management into the basin planning process~~
- 4 ~~conducted under section 1253 of this title.~~
- 5 ~~(4) Assure consistency with applicable requirements of the federal Clean~~
- 6 ~~Water Act.~~
- 7 ~~(5) Address stormwater management in new development and~~
- 8 ~~redevelopment.~~
- 9 ~~(6) Control stormwater runoff from construction sites and other land~~
- 10 ~~disturbing activities.~~
- 11 ~~(7) Indicate that water quality mitigation practices may be required for~~
- 12 ~~any redevelopment of previously developed sites, even when~~
- 13 ~~preredevelopment runoff characteristics are proposed to be maintained.~~
- 14 ~~(8) Specify minimum requirements for inspection and maintenance of~~
- 15 ~~stormwater management practices.~~
- 16 ~~(9) Promote detection and elimination of improper or illegal connections~~
- 17 ~~and discharges.~~
- 18 ~~(10) Promote implementation of pollution prevention during the conduct~~
- 19 ~~of municipal operations.~~
- 20 ~~(11) Provide for a design manual that includes technical guidance for the~~
- 21 ~~management of stormwater runoff.~~

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

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

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

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

17 ~~(A) the regulatory elements of the program identified in subsection~~
18 ~~(b) of this section, including the development and use of offsets and the~~
19 ~~establishment and imposition of stormwater impact fees to apply when issuing~~
20 ~~permits that allow regulated stormwater runoff to stormwater-impaired waters;~~

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

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

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

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

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

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

18 ~~(2) As one of the principal means of administering an enhanced~~
19 ~~stormwater program, the Secretary may issue and enforce general permits. To~~
20 ~~the extent appropriate, such permits shall include the use of certifications of~~
21 ~~compliance by licensed professional engineers practicing within the scope of~~

1 ~~their engineering specialty. The Secretary may issue general permits for~~
2 ~~classes of regulated stormwater runoff permittees and may specify the period~~
3 ~~of time for which the permit is valid other than that specified in subdivision~~
4 ~~1263(d)(4) of this title when such is consistent with the provisions of this~~
5 ~~section. General permits shall be adopted and administered in accordance with~~
6 ~~the provisions of subsection 1263(b) of this title. No permit is required under~~
7 ~~this section for:~~

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

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

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

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

1 ~~stormwater in violation of this chapter or is the holder of an expired permit for~~
2 ~~an existing discharge of regulated stormwater.~~

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

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

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

13 ~~(i) a new stormwater discharge or the expansion of an existing~~
14 ~~discharge shall meet the treatment standards for new development and~~
15 ~~expansion in the 2002 Stormwater Management Manual and any additional~~
16 ~~requirements deemed necessary by the Secretary to implement the TMDL or~~
17 ~~water quality remediation plan;~~

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

20 ~~(I) the existing impervious surface shall be reduced by 20~~
21 ~~percent, or a stormwater treatment practice shall be designed to capture and~~

1 ~~treat 20 percent of the water quality volume treatment standard of the 2002~~
2 ~~Stormwater Management Manual from the existing impervious surface; and~~

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

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

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

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

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

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

1 ~~(2) An authorization to discharge regulated stormwater runoff pursuant~~
2 ~~to a permit issued under this subsection shall be valid for a time period not to~~
3 ~~exceed five years. A person seeking to discharge regulated stormwater runoff~~
4 ~~after the expiration of that period shall obtain an individual permit or coverage~~
5 ~~under a general permit, whichever is applicable, in accordance with subsection~~
6 ~~1263(e) of this title.~~

7 ~~(3) By January 15, 2010, the Secretary shall issue a watershed~~
8 ~~improvement permit, issue a general or individual permit implementing a~~
9 ~~TMDL approved by the EPA, or issue a general or individual permit~~
10 ~~implementing a water quality remediation plan for each of the~~
11 ~~stormwater impaired waters on the Vermont Year 2004 Section 303(d) List of~~
12 ~~Waters required by 33 U.S.C. 1313(d). In developing a TMDL or a water~~
13 ~~quality remediation plan for a stormwater impaired water, the Secretary shall~~
14 ~~consult “A Scientifically Based Assessment and Adaptive Management~~
15 ~~Approach to Stormwater Management” and “Areas of Agreement about the~~
16 ~~Scientific Underpinnings of the Water Resources Board’s Original Seven~~
17 ~~Questions” set out in appendices A and B, respectively, of the final report of~~
18 ~~the Water Resources Board’s “Investigation Into Developing Cleanup Plans~~
19 ~~For Stormwater Impaired Waters, Docket No. Inv 03-01,” issued March 9,~~
20 ~~2004.~~

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

12 ~~(5) In addition to any permit condition otherwise authorized under~~
13 ~~subsection (e) of this section, in any permit issued pursuant to this subsection,~~
14 ~~the Secretary may require an offset or stormwater impact fee as necessary to~~
15 ~~ensure the discharge does not cause or contribute to a violation of the Vermont~~
16 ~~Water Quality Standards. Offsets and stormwater impact fees, where utilized,~~
17 ~~shall incorporate an appropriate margin of safety to account for the variability~~
18 ~~in quantifying the load of pollutants of concern. To facilitate utilization of~~
19 ~~offsets and stormwater impact fees, the Secretary shall identify by January 1,~~
20 ~~2005 a list of potential offsets in each of the waters listed as a~~
21 ~~stormwater impaired water under this subsection.~~

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

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

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

18 ~~(i) A residential subdivision may transfer a pretransition stormwater~~
19 ~~discharge permit or a stormwater discharge permit implementing a total~~
20 ~~maximum daily load plan to a municipality, provided that the municipality~~

1 assumes responsibility for the permitting of the stormwater system that serves
2 the residential subdivision. As used in this section:

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

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

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

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

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

19 (k) ~~The Secretary may adopt rules regulating stormwater discharges and~~
20 ~~stormwater infrastructure repair or maintenance during a state of emergency~~
21 ~~declared under 20 V.S.A. chapter 1 or during flooding or other emergency~~

1 ~~conditions that pose an imminent risk to life or a risk of damage to public or~~
2 ~~private property. Any rule adopted under this subsection shall comply with~~
3 ~~National Flood Insurance Program requirements. A rule adopted under this~~
4 ~~subsection shall include a requirement that an activity receive an individual~~
5 ~~stormwater discharge emergency permit or receive coverage under a general~~
6 ~~stormwater discharge emergency permit.~~

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

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

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

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

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

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

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

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

2 ~~(B) authorize an activity that does not require reporting to the~~

3 ~~Secretary; or~~

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

6 (a) Findings and intent.

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

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

13 (A) Reduce the adverse effects of stormwater runoff.

14 (B) Direct the Agency of Natural Resources to develop a process that
15 assures broad participation; focuses upon the prevention of pollution; relies on
16 structural treatment only when necessary; establishes and maintains
17 accountability; tailors strategies to the region and the locale; builds
18 broad-based programs; provides for the evaluation and appropriate evolution of
19 programs; is consistent with the federal Clean Water Act and the State water
20 quality standards; and accords appropriate recognition to the importance of
21 community benefits that accompany an effective stormwater runoff

1 management program. In furtherance of these purposes, the Secretary shall
2 implement a stormwater permitting program. The stormwater permitting
3 program developed by the Secretary shall recognize that stormwater runoff is
4 different from the discharge of sanitary and industrial wastes because of the
5 influence of natural events of stormwater runoff, the variations in
6 characteristics of those runoffs, and the increased stream flows causing
7 degradation of the quality of the receiving water at the time of discharge.

8 (b) Definitions. As used in this section:

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

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

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

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

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

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

8 (7) “Redevelopment” or “redevelop” means the construction or
9 reconstruction of an impervious surface where an impervious surface already
10 exists when such new construction involves substantial site grading, substantial
11 subsurface excavation, or substantial modification of an existing stormwater
12 conveyance, such that the total of impervious surface to be constructed or
13 reconstructed is greater than the minimum regulatory threshold.

14 Redevelopment does not mean public road management activities, including
15 any crack sealing, patching, coldplaning, resurfacing, reclaiming, or grading
16 treatments used to maintain pavement, bridges, and unpaved roads.

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

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

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

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

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

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

20 (14) “Total maximum daily load” (TMDL) means the calculations and
21 plan for meeting water quality standards approved by the U.S. Environmental

1 Protection Agency (EPA) and prepared pursuant to 33 U.S.C. § 1313(d) and
2 federal regulations adopted under that law.

3 (15) “Water quality remediation plan” means a plan, other than a
4 TMDL, designed to bring an impaired water body into compliance with
5 applicable water quality standards in accordance with 40 C.F.R.
6 § 130.7(b)(1)(ii) and (iii).

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

12 (c) Prohibitions.

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

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

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

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

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

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

10 (i) an individual permit;

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

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

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

17 (7) In accordance with the schedule established under subsection (g)(3),
18 a person shall not discharge stormwater from impervious surface of three or
19 more acres in size without first obtaining an individual permit or coverage
20 under a general permit issued under this section if the discharge was never
21 previously permitted or was permitted under an individual permit or general

1 permit that did not incorporate the requirements of the 2002 Stormwater
2 Management Manual or any subsequently adopted Stormwater Management
3 Manual.

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

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

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

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

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

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

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

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

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

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

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

- 1 (2) Establish criteria for the use of the basin planning process to
2 establish watershed-specific priorities for the management of stormwater
3 runoff.
- 4 (3) Assure consistency with applicable requirements of the federal Clean
5 Water Act.
- 6 (4) Include technical standards and best management practices that
7 address stormwater discharges from existing development, new development,
8 and redevelopment.
- 9 (5) Specify minimum requirements for inspection and maintenance of
10 stormwater management practices.
- 11 (6) Include standards for the management of stormwater runoff from
12 construction sites and other land disturbing activities.
- 13 (7) Allow municipal governments to assume the full legal responsibility
14 for a stormwater system permitted under these rules as a part of a permit issued
15 by the Secretary.
- 16 (8) Include standards with respect to the use of offsets and stormwater
17 impact fees.
- 18 (9) Include minimum standards for the issuance of stormwater permits
19 during emergencies for the repair or maintenance of stormwater infrastructure
20 during a state of emergency declared under 20 V.S.A. chapter 1 or during
21 flooding or other emergency conditions that pose an imminent risk to life or a

1 risk of damage to public or private property. Minimum standards adopted
2 under this subdivision shall comply with National Flood Insurance Program
3 requirements.

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

7 (g) General permits.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

10 (i) For a new discharge of the expanded portion of an existing
11 discharge, the discharge shall satisfy the requirements of the Stormwater
12 Management Manual, and the Secretary shall determine that there is sufficient
13 pollutant load allocations for the discharge.

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

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

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

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

15 Sec. 31. ANR REPORT ON REGULATORY THRESHOLD FOR

16 PERMITTING STORMWATER RUNOFF FROM IMPERVIOUS

17 SURFACES

18 (a) On or before January 15, 2016, the Secretary of Natural Resources shall
19 submit to the House Committee on Fish, Wildlife and Water Resources and the
20 Senate Committee on Natural Resources and Energy a report regarding
21 whether and how the State should lower from one acre to one-half acre of

1 impervious surface the regulatory permitting threshold for an operating permit
2 for stormwater runoff from new development, redevelopment, or expansion.

3 The report shall include:

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

7 (2) an estimate of the number of additional development projects that
8 would require an operating permit for stormwater runoff if the regulatory
9 permitting threshold were lowered from one acre to one-half acre of
10 impervious surface;

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

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

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

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

1 Sec. 32. STORMWATER MANAGEMENT PRACTICES HANDBOOK

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

10 * * * Water Quality Data Coordination * * *

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

12 § 1284. WATER QUALITY DATA COORDINATION

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

- 16 (1) light detection and ranging information data (LIDAR);
17 (2) stream gauge data;
18 (3) stream mapping, including fluvial erosion hazard maps;
19 (4) water quality monitoring or sampling data;

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

4 (6) any other data available to the Secretary.

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

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

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

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

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

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

17 Subchapter 7. Vermont Clean Water Fund

18 § 1387. PURPOSE

19 The General Assembly establishes in this subchapter a Vermont Clean Water
20 Fund as a mechanism for financing the improvement of water quality in the State.

21 The Clean Water Fund shall be used to:

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

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

6 § 1388. CLEAN WATER FUND

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

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

11 (2) the Fund shall consist of:

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

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

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

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

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

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

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

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

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

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

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

17 § 1389. CLEAN WATER FUND BOARD

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

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

1 (1) The Secretary of Administration or designee.

2 (2) The Secretary of Natural Resources or designee.

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

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

6 (5) The Secretary of Transportation or designee.

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

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

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

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

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

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

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

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

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

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

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

4 (2) The Clean Water Fund Board shall develop:

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

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

9 (C) the annual Clean Water Investment Report required under section
10 1389 of this title.

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

13 (g) The Clean Water Fund Board shall have the administrative, technical,
14 and legal assistance of the Agency of Administration, the Agency of Natural
15 Resources, the Agency of Agriculture, Food and Markets, the Agency of
16 Transportation, and the Agency of Commerce and Community Development
17 for those issues or services within the jurisdiction of the respective agency.

18 The cost of the services provided by agency staff shall be paid from the budget
19 of the agency providing the staff services.

1 § 1390. CLEAN WATER INVESTMENT REPORT

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

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

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

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

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

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

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

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

9 (i) income from United States government obligations;

10 (ii) with respect to adjusted net capital gain income as defined in
11 26 U.S.C. § 1(h) reduced by the total amount of any qualified dividend
12 income: either the first \$5,000.00 of such adjusted net capital gain income; or
13 40 percent of adjusted net capital gain income from the sale of assets held by
14 the taxpayer for more than three years, except not adjusted net capital gain
15 income from:

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

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

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

3 ~~and~~

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

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

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

8 § 9241. IMPOSITION OF TAX

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

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

15 \$0.01-0.11	\$0.01
16 0.12-0.22	0.02
17 0.23-0.33	0.03
18 0.34-0.44	0.04
19 0.45-0.55	0.05
20 0.56-0.66	0.06
21 0.67-0.77	0.07

1	0.78-0.88	0.08
2	0.89-1.00	0.09
3	<u>\$0.01-0.05</u>	<u>\$0.00</u>
4	<u>0.06-0.15</u>	<u>0.01</u>
5	<u>0.16-0.26</u>	<u>0.02</u>
6	<u>0.27-0.36</u>	<u>0.03</u>
7	<u>0.37-0.47</u>	<u>0.04</u>
8	<u>0.48-0.57</u>	<u>0.05</u>
9	<u>0.58-0.68</u>	<u>0.06</u>
10	<u>0.69-0.78</u>	<u>0.07</u>
11	<u>0.79-0.89</u>	<u>0.08</u>
12	<u>0.90-0.99</u>	<u>0.09</u>

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

17	\$.01-.14	\$.01
18	.15-.24	.02
19	.25-.34	.03
20	.35-.44	.04
21	.45-.54	.05

1	.55-.64	.06
2	.65-.74	.07
3	.75-.84	.08
4	.85-.94	.09
5	.95-1.00	.10
6	<u>\$0.01-0.08</u>	<u>\$0.00</u>
7	<u>0.09-0.18</u>	<u>0.01</u>
8	<u>0.19-0.28</u>	<u>0.02</u>
9	<u>0.29-0.38</u>	<u>0.03</u>
10	<u>0.39-0.48</u>	<u>0.04</u>
11	<u>0.49-0.58</u>	<u>0.05</u>
12	<u>0.59-0.68</u>	<u>0.06</u>
13	<u>0.69-0.78</u>	<u>0.07</u>
14	<u>0.79-0.88</u>	<u>0.08</u>
15	<u>0.89-0.99</u>	<u>0.09</u>

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

17 (c) A tax of nine and one-half percent of the gross receipts from ~~meals and~~
18 occupancies, nine and one-half percent of the gross receipts from meals, and
19 10 and one-half percent of the gross receipts from alcoholic beverages,
20 exclusive of taxes collected pursuant to section 9241 of this title, received from
21 occupancy rentals, taxable meals and alcoholic beverages by an operator, is

1 hereby levied and imposed and shall be paid to the State by the operator as
2 herein provided. Every person required to file a return under this chapter shall,
3 at the time of filing the return, pay the Commissioner the taxes imposed by this
4 chapter as well as all other monies collected by him or her under this chapter;
5 provided, however, that every person who collects the taxes on taxable meals
6 and alcoholic beverages according to the tax bracket schedules of section 9241
7 of this title shall be allowed to retain any amount lawfully collected by the
8 person in excess of the tax imposed by this chapter as compensation for the
9 keeping of prescribed records and the proper account and remitting of taxes.

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

11 § 435. GENERAL FUND

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

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

17 (1) Alcoholic beverage tax levied pursuant to 7 V.S.A. chapter 15;

18 (2) [Repealed.]

19 (3) Electrical energy tax levied pursuant to chapter 213 of this title;

20 (4) Corporate income and franchise taxes levied pursuant to chapter 151

21 of this title;

- 1 (5) Individual income taxes levied pursuant to chapter 151 of this title;
- 2 (6) All corporation taxes levied pursuant to chapter 211 of this title;
- 3 (7) ~~Meals and~~ 95 percent of the meals, rooms, and alcohol taxes levied
- 4 pursuant to chapter 225 of this title;
- 5 (8) [Repealed.]
- 6 (9) Revenues from the Racing Fund consistent with 31 V.S.A. § ~~611~~
- 7 609;
- 8 (10) 33 percent of the revenue from the property transfer taxes levied
- 9 pursuant to chapter 231 of this title and the revenue from the gains taxes levied
- 10 each year pursuant to chapter 236 of this title;
- 11 (11) 65 percent of the revenue from sales and use taxes levied pursuant
- 12 to chapter 233 of this title;
- 13 (12) All other revenues accruing to the State not otherwise required by
- 14 law to be deposited in any other designated fund or used for any other
- 15 designated purpose.

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

17 Sec. 39. SECRETARY OF ADMINISTRATION REPORT ON PER

18 PARCEL WATER QUALITY FEE

19 (a) On or before January 15, 2016, the Secretary of Administration, after

20 consultation with the Department of Taxes, shall submit to the House

21 Committee on Fish, Wildlife and Water Resources, the Senate Committee on

1 Natural Resources and Energy, the House Committee on Agriculture and
2 Forest Products, the Senate Committee on Agriculture, the House Committee
3 on Ways and Means, and the Senate Committee on Finance a recommendation
4 for establishing a fee on parcels of property in the State for the purpose of
5 raising revenue to fund water quality improvement programs in the State. The
6 recommendation shall include:

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

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

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

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

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

1 * * * Gas Tax; Water Quality * * *

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

3 § 3106. IMPOSITION, RATE, AND PAYMENT OF TAX

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

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

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

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

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

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

21 (I) \$0.134 per gallon; or

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

4 * * *

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

6 § 11. TRANSPORTATION FUND

7 The Transportation Fund shall comprise the following:

8 (1) all taxes, penalties, and fees received by the Commissioner of Motor
9 Vehicles except those relating to motorboats imposed under 23 V.S.A. chapter
10 29 which shall be expended pursuant to 23 V.S.A. § 3319;

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

13 * * *

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

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

16 § 2822. BUDGET AND REPORT; POWERS

17 * * *

18 (i) The Secretary shall not process an application for which the applicable
19 fee has not been paid unless the Secretary specifies that the fee may be paid at
20 a different time or unless the person applying for the permit is exempt from the
21 permit fee requirements pursuant to 32 V.S.A. § 710. ~~In addition, the persons~~

1 ~~who are exempt under 32 V.S.A. § 710 are also exempt from the application~~
2 ~~fees for stormwater operating permits specified in subdivisions (j)(2)(A)(iii)(I)~~
3 ~~and (II) of this section if they otherwise meet the requirements of 32 V.S.A.~~
4 ~~§ 710.~~ Municipalities shall be exempt from the payment of fees under this
5 section except for those fees prescribed in subdivisions (j)(1), ~~(2)~~, (7), (8), (14),
6 and (15) of this section for which a municipality may recover its costs by
7 charging a user fee to those who use the permitted services. Municipalities
8 shall pay fees prescribed in subdivisions (j)(2), (10), (11), and (26), except that
9 a municipality shall also be exempt from those fees for ~~orphan~~ stormwater
10 systems ~~prescribed in subdivisions (j)(2)(A)(iii) and (2)(B)(iv)(I) or (II) of this~~
11 ~~section when the municipality agrees to become an applicant or co-applicant~~
12 ~~for an orphan stormwater system under 10 V.S.A. § 1264e~~ for which a
13 municipality has assumed full legal responsibility under 10 V.S.A. § 1264.

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

17 * * *

18 (2) For discharge permits issued under 10 V.S.A. chapter 47 and orders
19 issued under 10 V.S.A. § 1272, an administrative processing fee of ~~\$120.00~~
20 \$240.00 shall be paid at the time of application for a discharge permit in
21 addition to any application review fee and any annual operating fee, except for

1 permit applications under subdivisions (2)(A)(iii)(III) and (V) of this
2 subsection:

3 (A) Application review fee.

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

7 (I) Individual permit: original ~~\$0.0023~~ \$0.003 per gallon
8 application; amendment for design flow; minimum
9 increased flows; amendment ~~\$50.00~~ \$100.00 per
10 for change in treatment process; outfall; maximum
11 30,000.00 per application.

12 (II) Renewal, transfer, or minor ~~\$0.00~~ \$0.002 per gallon
13 amendment of individual permit; design flow; minimum
14 \$50.00 per outfall;
15 maximum \$5,000.00 per
16 application.

17 (III) General permit; \$0.00.

18 (ii) Pretreatment discharges.

19 (I) Individual permit: original ~~\$0.12~~ \$0.20 per gallon
20 application; amendment for design flow; minimum
21 increased flows; amendment for ~~\$50.00~~ \$100.00 per

1 change in treatment process; outfall.

2 (II) Renewal, transfer, or minor ~~\$0.00~~ \$0.002 per gallon

3 amendment of individual permit; design flow; minimum

4 \$50.00 per outfall.

5 (iii) Stormwater discharges.

6 (I) Individual operating permit ~~\$430.00~~ \$860.00 per acre

7 or application to operate under impervious area;

8 general operating permit for minimum ~~\$220.00~~

9 collected stormwater runoff \$440.00 per application.

10 which is discharged to Class B

11 waters: original application;

12 amendment for increased flows;

13 amendment for change in

14 treatment process;

15 (II) Individual operating permit \$1,400.00 per acre

16 or application to operate under impervious area;

17 general operating permit for minimum \$1,400.00

18 collected stormwater runoff which per application.

19 is discharged to Class A waters;

20 original application; amendment

21 for increased flows; amendment

1 for change in treatment process.

2 (III) Individual permit or

3 application to operate under

4 general permit for construction

5 activities; original application;

6 amendment for increased acreage.

7 (aa) Projects with low risk to ~~\$50.00~~ five acres or

8 waters of the State-; less: \$100.00 per project;

9 original application.

10 (bb) Projects with low risk to \$220.00 per project.

11 waters of the State; greater than

12 five acres:

13 (cc) Projects with moderate risk ~~\$360.00;~~ five acres

14 to waters of the State-; or less: \$480.00 per

15 project original

16 application.

17 ~~(cc) Projects that require an~~ ~~\$720.00 per project~~

18 ~~individual permit.~~ ~~original application.~~

19 (dd) Projects with moderate risk \$640.00.

20 to waters of the State; greater

21 than five acres:

1 (ee) Projects that require an \$1,200.00.
2 individual permit; ten acres
3 or less:
4 (ff) Projects that require an \$1,800.00.
5 individual permit; greater than
6 10 acres:
7 (IV) Individual permit or ~~\$220.00~~ \$440.00 per
8 application to operate under facility.
9 general permit for stormwater
10 runoff associated with industrial
11 activities with specified SIC
12 codes; original application;
13 amendment for change in activities-;
14 (V) Individual permit or ~~\$1,200.00~~ \$2,400.00
15 application to operate under per system.
16 general permit for stormwater
17 runoff associated with
18 municipal separate storm sewer
19 systems; original application; amendment
20 for change in activities-;

1 (VI) Individual operating permit or application to operate under
2 a general permit for a residually designated stormwater discharge original
3 application; amendment; for increased flows amendment; for change in
4 treatment process.

5 (aa) For discharges to Class B water; ~~\$430.00~~ \$860.00 per
6 acre of impervious area, minimum ~~\$220.00~~ \$280.00.

7 (bb) For discharges to Class A water; ~~\$1,400.00~~ \$1,700.00
8 per acre of impervious area, minimum ~~\$1,400.00~~ \$1,700.00.

9 (VII) Renewal, transfer, or \$0.00;
10 minor amendment of individual
11 permit ~~or approval under~~
12 ~~general permit:~~

13 (VIII) Application for coverage \$400.00 per application.
14 under the municipal roads
15 stormwater general permit:

16 (IX) Application for coverage \$1,200.00.
17 under the State roads stormwater
18 general permit:

19 * * *

20 (B) Annual operating fee.

21 (i) Industrial, noncontact cooling ~~\$0.001~~ \$0.0015 per gallon

1 Class B waters;:

2 (III) Individual permit or ~~\$80.00~~ \$160.00

3 approval under general permit per facility.

4 for stormwater runoff from

5 industrial facilities with

6 specified SIC codes;:

7 (IV) Individual permit or ~~\$80.00 per system~~

8 application to operate under \$10.00 per acre of

9 general permit for stormwater impervious surface within

10 runoff associated with municipal the municipality; annually.

11 separate storm sewer systems;:

12 (V) Individual permit or approval under general permit for

13 residually designated stormwater discharges.

14 (aa) For discharges to Class A water; ~~\$255.00~~ \$310.00 per

15 acre of impervious area, minimum ~~\$255.00~~ \$310.00.

16 (bb) For discharges to Class B water; ~~\$80.00~~ \$160.00 per

17 acre of impervious area, minimum ~~\$80.00~~ \$160.00.

18 (VI) Application to operate under a general permit for

19 stormwater runoff associated with municipal roads: \$2,000.00 per

20 authorization annually.

1 (A) \$0.75 per square foot of proposed impact to Class I or II
2 wetlands;

3 (B) \$0.25 per square foot of proposed impact to Class I or II wetland
4 buffers;

5 (C) maximum fee, for the conversion of Class II wetlands or wetland
6 buffers to cropland use, \$200.00 per application. ~~For purposes of~~ As used in
7 this subdivision, “cropland” means land that is used for the production of
8 agricultural crops, including row crops, fibrous plants, pasture, fruit-bearing
9 bushes, trees, or vines and the production of Christmas trees;

10 (D) \$0.25 per square foot of proposed impact to Class I or II wetlands
11 or Class I or II wetland buffer for utility line, pipeline, and ski trail projects
12 when the proposed impact is limited to clearing forested wetlands in a corridor
13 and maintaining a cleared condition in that corridor for the project life;

14 (E) \$1.50 per square foot of impact to Class I or II wetlands when the
15 permit is sought after the impact has taken place;

16 (F) \$100.00 per revision to an application for an individual wetland
17 permit or authorization under a general permit when the supplement is due to a
18 change to the project that was not requested by the Secretary; and

19 (G) minimum fee, \$50.00 per application.

20 * * *

1 (1) Any project undertaken by the Department of Buildings and General
2 Services, the Agency of Natural Resources or the Agency of Transportation
3 which is authorized or funded in whole or in part by the capital construction
4 act introduced pursuant to section 701a of this title except for those fees
5 established under 3 V.S.A. § 2822(j)(2)(A)(iii), (j)(10), (j)(11), and (j)(26).

6 (2) Any project undertaken by a municipality, which is funded in whole
7 or in part by a grant or loan from the Agency of Natural Resources or the
8 Agency of Transportation financed by an appropriation of a capital
9 construction act introduced pursuant to section 701a of this title except for
10 those fees established under 3 V.S.A. § 2822(j)(2)(A)(iii), (j)(7)(A) and (B),
11 (j)(10), (j)(11), and (j)(26). However, all such fees shall be paid for reviews,
12 inspections, or permits required by municipal solid waste facilities developed
13 by a solid waste district which serves, or is expected to serve, in whole or in
14 part, parties located outside its own district boundaries pursuant to 10 V.S.A.
15 chapter 159.

16 * * * Wastewater Treatment Plants; Financial Assistance for
17 Phosphorus Reduction * * *

18 Sec. 44. 10 V.S.A. § 1266a is amended to read:

19 § 1266a. DISCHARGES OF PHOSPHORUS

20 (a) No person directly discharging into the drainage basins of Lake
21 Champlain or Lake Memphremagog shall discharge any waste that contains a

1 phosphorus concentration in excess of 0.80 milligrams per liter on a monthly
2 average basis. Discharges of less than 200,000 gallons per day, permitted on
3 or before July 1, 1991, shall not be subject to the requirements of this
4 subsection. Discharges from a municipally owned aerated lagoon type
5 secondary sewage treatment plant in the Lake Memphremagog drainage basin,
6 permitted on or before July 1, 1991 shall not be subject to the requirements of
7 this subsection unless the plant is modified to use a technology other than
8 aerated lagoons.

9 (b) Notwithstanding any provision of subsection (a) of this section to the
10 contrary, the Secretary shall establish effluent phosphorus wasteload
11 allocations or concentration limits within any drainage basin in Vermont, as
12 needed to achieve wasteload allocations in a total maximum daily load
13 document approved by the U.S. Environmental Protection Agency, or as
14 needed to attain compliance with water quality standards adopted by the
15 Secretary pursuant to chapter 47 of this title.

16 (c) ~~The Secretary of Natural Resources shall establish a schedule for~~
17 ~~municipalities that requires compliance with this section at a rate that~~
18 ~~corresponds to the rate at which funds are provided under subsection 1625(e)~~
19 ~~of this title. To the extent that funds are not provided to municipalities eligible~~
20 ~~under that subsection, municipal compliance with this section shall not be~~
21 ~~required. [Repealed.]~~

1 Sec. 45. 10 V.S.A. § 1625 is amended to read:

2 § 1625. AWARDS FOR POLLUTION ABATEMENT PROJECTS TO
3 ABATE DRY WEATHER SEWAGE FLOWS

4 (a) When the Department finds that a proposed water pollution abatement
5 project is necessary to maintain water quality standards during dry weather
6 sewage flows, and that the proposed type, kind, quality, size, and estimated
7 cost, including operation cost and sewage disposal charges, of the project are
8 suitable for abatement of pollution, and the project or the prescribed project
9 phases are necessary to meet the intent of the water quality classifications
10 established by the Secretary or by statute under chapter 47 of this title, the
11 Department may award to municipalities a State assistance grant of up to
12 25 percent of the eligible project cost, provided that in no case shall the total of
13 the State and federal grants exceed 90 percent of the eligible project costs:

14 (1) except that the 90 percent limitation shall not apply when the
15 municipality provides, as their local share, federal funds allocated to them for
16 the purpose of matching other federal grant programs having a matching
17 requirement; and

18 (2) except that the total of state and federal grants issued under
19 P.L. 92-500 section 202(a)(2) may equal up to 95 percent of the eligible costs
20 for innovative or alternative wastewater treatment processes and techniques.

1 (b) In carrying out the purposes of this subchapter, the Department shall
2 define the purpose and scope of an eligible project, including a determination
3 of the area to be served, type of treatment, effluent limitations, eligible
4 construction costs, cost accounting procedures and methods and other such
5 project construction, operation and fiscal elements necessary to meet federal
6 aid requirements. The Department shall, as a part of the administration of this
7 grant program, encourage municipalities to undertake capital development
8 planning and to establish water and sewer charges along public utility
9 concepts.

10 (c) Any municipality having proceeded with construction of facilities with
11 a State grant of 25 percent since July 1, 1984 shall be eligible for an increase in
12 the State grant to a total of 35 percent of the eligible project costs.

13 (d) The Department may award a State assistance grant of up to 50 percent
14 of the eligible costs of an approved pollution abatement project or a portion
15 thereof not eligible for federal financial assistance in a municipality that is
16 certified by the Secretary of Commerce and Community Development to be
17 within the designated job development zone. To achieve the objectives of
18 chapter 29, subchapter 2 of this title, the eligibility and priority provisions of
19 this chapter do not apply to municipalities within a designated job development
20 zone.

1 ~~(e) If the Department finds that a proposed municipal water pollution~~
2 ~~control project is necessary to reduce effluent phosphorus concentration or~~
3 ~~mass loading to the level required in section 1266a of this title, the Department~~
4 ~~shall award to the municipality, subject to the availability of funds, a state~~
5 ~~assistance grant. Such grants shall be for 100 percent of the eligible project~~
6 ~~cost. This funding shall not be available for phosphorus removal projects~~
7 ~~where the effluent concentration must be reduced in order to maintain a~~
8 ~~previously permitted mass loading of phosphorus.~~

9 * * * Acceptable Management Practices for Maintaining Water Quality on

10 Logging Jobs in Vermont * * *

11 Sec. 46. 10 V.S.A. § 2622 is amended to read:

12 § 2622. RULES; HARVESTING TIMBER; FORESTS; ACCEPTABLE
13 MANAGEMENT PRACTICES FOR MAINTAINING WATER
14 QUALITY

15 (a) Silvicultural practices. The ~~commissioner~~ Commissioner shall adopt
16 rules to establish methods by which the harvest and utilization of timber in
17 private and public ~~forest land~~ forestland will be consistent with continuous
18 forest growth, including reforestation, will prevent wasteful and dangerous
19 forestry practices, will regulate heavy cutting, will encourage good forestry
20 management, will enable and assist landowners to practice good forestry
21 management, and will conserve the natural resources consistent with the

1 purposes and policies of this chapter, giving due consideration to the need to
2 assure continuous supplies of forest products and to the rights of the owner or
3 operator of the land. Such rules adopted under this subsection shall be
4 advisory, and not mandatory except that the rules adopted under section 2625
5 of this title for the regulation of heavy cutting shall be mandatory as shall other
6 rules specifically authorized to be mandatory.

7 (b) Acceptable management practices. On or before March 1, 2016, the
8 Commissioner shall revise by rule the acceptable management practices for
9 maintaining water quality on logging jobs in Vermont. The revised acceptable
10 management practices shall ensure that all logging operations, on both public
11 and private forestland, are designed to: prevent or minimize discharges of
12 sediment, petroleum products, and woody debris (logging slash) from entering
13 streams and other bodies of water; protect aquatic habitat and aquatic wildlife;
14 and prevent erosion and maintain natural water temperature. The purpose of
15 the acceptable management practices is to provide a guide for loggers,
16 foresters, and landowners to design logging operations to comply with the
17 Vermont Water Quality Standards and minimize the potential for a discharge
18 from logging operations in Vermont in accordance with section 1259 of
19 this title.

1 Sec. 47. DEPARTMENT OF FORESTS, PARKS AND RECREATION
2 REPORT; ACCEPTABLE MANAGEMENT PRACTICES;
3 MAPLE SYRUP PRODUCTION UNDER USE VALUE
4 APPRAISAL

5 On or before March 1, 2016, the Commissioner of Forests, Parks and
6 Recreation shall submit to the House Committee on Fish, Wildlife and Water
7 Resources, the Senate Committee on Natural Resources and Energy, and the
8 House Committee on Natural Resources and Energy a recommendation and
9 supporting basis as to whether:

10 (1) the acceptable management practices for maintaining water quality
11 on logging jobs in Vermont should be mandatory for all logging operations on
12 public and private forestland; and

13 (2) whether maple syrup production on forestland should be required to
14 enroll in the use value appraisal program under 32 V.S.A. chapter 124 as
15 managed forestland and not agricultural land.

16 Sec. 48. 10 V.S.A. § 1259(f) is amended to read:

17 (f) The provisions of subsections (c), (d), and (e) of this section shall not
18 regulate accepted agricultural ~~or silvicultural~~ practices, as ~~such are defined~~
19 ~~adopted by rule by the secretary of agriculture, food and markets and the~~
20 ~~commissioner of forests, parks and recreation, respectively, after an~~
21 ~~opportunity for a public hearing~~ Secretary of Agriculture, Food and Markets,

1 or the acceptable management practices for maintaining water quality on
2 logging jobs in Vermont, as adopted by the Commissioner of Forests, Parks
3 and Recreation; nor shall these provisions regulate discharges from
4 concentrated animal feeding operations that require a permit under section
5 1263 of this title; nor shall those provisions prohibit stormwater runoff or the
6 discharge of nonpolluting wastes, as defined by the ~~secretary~~ Secretary.

7 Sec. 49. 24 V.S.A. § 4413(d) is amended to read:

8 (d) A bylaw under this chapter shall not regulate accepted agricultural ~~and~~
9 ~~silvicultural~~ practices, including the construction of farm structures, as those
10 practices are defined by the ~~secretary of agriculture, food and markets~~
11 Secretary of Agriculture, Food and Markets or the ~~commissioner of forests,~~
12 ~~parks and recreation~~ acceptable management practices for maintaining water
13 quality on logging jobs in Vermont as adopted by the Commissioner of
14 Forests, Parks and Recreation, respectively, under 10 V.S.A. §§ ~~1021(f) and~~
15 ~~1259(f)~~ § 2622 and 6 V.S.A. § 4810.

16 * * *

17 * * * Eligibility for Ecosystem Restoration Program Assistance * * *

18 Sec. 50. ECOSYSTEM RESTORATION PROGRAM; CLEAN WATER
19 FUND; ELIGIBILITY FOR FINANCIAL ASSISTANCE

20 It is the policy of the State of Vermont that all municipal separate storm
21 sewer system (MS4) communities in the State shall be eligible for grants and

1 other financial assistance from the Agency of Natural Resources' Ecosystem
2 Restoration Program, the Clean Water Fund, or any other State water quality
3 financing program. A project or proposal that is the subject of an application
4 for a grant or other assistance from the Agency of Natural Resources shall not
5 be denied solely on the basis that the project or proposal may be construed as a
6 regulatory requirement of the MS4 permit program.

7 * * * Sunset of Rooms, Meals, and Alcohol Tax * * *

8 Sec. 51. 32 V.S.A. § 9241 is amended to read:

9 § 9241. IMPOSITION OF TAX

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

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

16	\$0.01-0.05	\$0.00
17	0.06-0.15	0.01
18	0.16-0.26	0.02
19	0.27-0.36	0.03
20	0.37-0.47	0.04
21	0.48-0.57	0.05

1	0.58-0.68	0.06
2	0.69-0.78	0.07
3	0.79-0.89	0.08
4	0.90-0.99	0.09
5	<u>\$0.01-0.11</u>	<u>\$0.01</u>
6	<u>0.12-0.22</u>	<u>0.02</u>
7	<u>0.23-0.33</u>	<u>0.03</u>
8	<u>0.34-0.44</u>	<u>0.04</u>
9	<u>0.45-0.55</u>	<u>0.05</u>
10	<u>0.56-0.66</u>	<u>0.06</u>
11	<u>0.67-0.77</u>	<u>0.07</u>
12	<u>0.78-0.88</u>	<u>0.08</u>
13	<u>0.89-1.00</u>	<u>0.09</u>

14 (c) An operator shall collect a tax on each sale of alcoholic beverages at the
15 rate of ~~10.5~~ 10 percent of each full dollar of the total charge and on each sale
16 for less than one dollar and on each part of a dollar in excess of a full dollar in
17 accordance with the following formula:

18	\$0.01-0.08	\$0.00
19	0.09-0.18	0.01
20	0.19-0.28	0.02
21	0.29-0.38	0.03

1	0.39-0.48	0.04
2	0.49-0.58	0.05
3	0.59-0.68	0.06
4	0.69-0.78	0.07
5	0.79-0.88	0.08
6	0.89-0.99	0.09
7	<u>\$0.01-0.14</u>	<u>\$0.01</u>
8	<u>0.15-0.24</u>	<u>0.02</u>
9	<u>0.25-0.34</u>	<u>0.03</u>
10	<u>0.35-0.44</u>	<u>0.04</u>
11	<u>0.45-0.54</u>	<u>0.05</u>
12	<u>0.55-0.64</u>	<u>0.06</u>
13	<u>0.65-0.74</u>	<u>0.07</u>
14	<u>0.75-0.84</u>	<u>0.08</u>
15	<u>0.85-0.94</u>	<u>0.09</u>
16	<u>0.95-1.00</u>	<u>0.10</u>

17 Sec. 52. 32 V.S.A. § 9242(c) is amended to read:

18 (c) A tax of nine ~~and one-half~~ percent of the gross receipts from ~~meals and~~
19 occupancies, nine ~~and one-half~~ percent of the gross receipts from meals, and
20 10 ~~and one-half~~ percent of the gross receipts from alcoholic beverages,
21 exclusive of taxes collected pursuant to section 9241 of this title, received from

1 occupancy rentals, taxable meals and alcoholic beverages by an operator, is
2 hereby levied and imposed and shall be paid to the State by the operator as
3 herein provided. Every person required to file a return under this chapter shall,
4 at the time of filing the return, pay the Commissioner the taxes imposed by this
5 chapter as well as all other monies collected by him or her under this chapter;
6 provided, however, that every person who collects the taxes on taxable meals
7 and alcoholic beverages according to the tax bracket schedules of section 9241
8 of this title shall be allowed to retain any amount lawfully collected by the
9 person in excess of the tax imposed by this chapter as compensation for the
10 keeping of prescribed records and the proper account and remitting of taxes.

11 Sec. 53. 32 V.S.A. § 435 is amended to read:

12 § 435. GENERAL FUND

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

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

18 (1) Alcoholic beverage tax levied pursuant to 7 V.S.A. chapter 15;

19 (2) [Repealed.]

20 (3) Electrical energy tax levied pursuant to chapter 213 of this title;

1 (4) Corporate income and franchise taxes levied pursuant to chapter 151
2 of this title;

3 (5) Individual income taxes levied pursuant to chapter 151 of this title;

4 (6) All corporation taxes levied pursuant to chapter 211 of this title;

5 (7) ~~95 percent of the meals~~ Meals, rooms, and alcohol taxes levied
6 pursuant to chapter 225 of this title;

7 (8) [Repealed.]

8 (9) Revenues from the Racing Fund consistent with 31 V.S.A. § ~~611~~
9 609;

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

13 (11) 65 percent of the revenue from sales and use taxes levied pursuant
14 to chapter 233 of this title;

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

1 Sec. 54. CLEAN WATER FUND; REPEAL OF DEPOSIT OF ROOMS,
2 MEALS, AND ALCOHOL TAX
3 10 V.S.A. § 1388(a)(2)(A)(i) (Clean Water Fund; rooms, meals, and
4 alcohol tax) shall be repealed on July 1, 2018.

5 Sec. 55. EFFECTIVE DATES

6 This act shall take effect on July 1, 2015, except that:

7 (1) Sec. 3 (small farm certification) shall take effect on July 1, 2017;

8 (2) 6 V.S.A. § 4988(b) of Sec. 16 shall take effect 45 days after the
9 effective date of rules adopted under 6 V.S.A. § 4988(a).

10 (3) In Sec. 30, the permit requirements under 10 V.S.A. § 1264(h)(2) for
11 discharges of regulated stormwater to Lake Champlain or to a water that
12 contributes to the impairment of Lake Champlain shall take effect on October
13 1, 2015.

14 (4) Sec. 34 (Clean Water Fund) shall take effect on passage; and

15 (5) Secs. 51-54 (repeal of increase in rooms, meals, and alcohol tax)
16 shall take effect July 1, 2018.

17
18
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1 (Committee vote: _____)

2

3

Representative _____

4

FOR THE COMMITTEE