

Sec. 1. 24 V.S.A. § 3501 is amended to read:

§ 3501. DEFINITIONS

The following words and phrases, as used in this chapter and in chapter 101 of this title, shall have the following meanings:

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(7) “Stormwater” or “storm sewage” means precipitation and snowmelt that does not infiltrate into the soil, including material dissolved or suspended in it, but does not include discharges from undisturbed natural terrain or wastes from combined sewer overflows ~~“Storm water” or “storm sewage” is the excess water from rainfall or continuously following therefrom.~~

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Sec. 2. 24 V.S.A. § 3615a is added to read:

§ 3615a. STORMWATER UTILITIES; MUNICIPAL STORMWATER UTILITY GRANTS

(a) A system of establishing and applying rates pursuant to this section for stormwater management by a municipality or group of municipalities shall be known as a stormwater utility. A municipality or consolidated sewer district may establish and apply rates pursuant to sections 3615 and section 3507 or 3679 of this title for education and outreach on stormwater management and the planning, construction, maintenance, repair, operation, and other related aspects of managing all or a portion of stormwater infrastructure and practices within the municipality or consolidated sewer district. When establishing and applying rates for stormwater management pursuant to this section, the sewage system commissioners or the board of sewer commissioners shall not be required to show a direct connection between the ratepayer and any service provided.

(b) Stormwater utility rates for property owned, controlled, or managed by the Agency of Transportation shall not exceed the highest rate category applicable to other properties in the municipality and shall be subject to a fifty-percent credit.

Sec. 3. 10 V.S.A. § 1389(e) is amended to read:

(e) Priorities.

(1) In making recommendations under subsection (d) of this section regarding the appropriate allocation of funds from the Clean Water Fund, the Board shall prioritize:

(H) funding to stormwater utilities.

(2) In developing its recommendations under subsection (d) of this section regarding the appropriate allocation of funds from the Clean Water Fund, the Clean Water Fund Board shall, during the first three years of its existence and within the priorities established under subdivision (1) of this subsection (e), prioritize awards or assistance to municipalities for municipal compliance with water quality requirements, and to municipalities for the establishment and operation of stormwater utilities.

EFFECTIVE DATE

This Act shall take effect upon passage.

