

## Clean Water Financing Report

Update (2/17/2016)

In 2015, the Legislature passed the Vermont Clean Water Act. Section 40 of Act 64 requires the State Treasurer, in consultation with the Agency of Administration, the Department of Environmental Conservation (DEC) and the Department of Taxes, to submit a recommendation for financing water quality improvement programs by January 15, 2017.

By statute, the recommendation shall include:

- (1) Proposed revenue sources for water quality improvement programs that will replace the Property Transfer Tax surcharge established under 32 V.S.A. § 9602a. The proposed revenue sources shall be designed to assess fees, taxes, or other revenue sources from a property, parcel use, parcel, type, or an activity in proportion to the negative impacts of property, parcel use, parcel type, or activity on the water quality in the State.
- (2) A recommendation for rewarding or incentivizing best management practices for a property or activity that is subject to the proposed fee, tax, or revenue source.
- (3) An estimate of the amount of revenue to be generated from each proposed revenue source.
- (4) A summary of how assessment of the proposed revenue source will be administered, collected, and enforced.
- (5) A recommendation of whether the State should bond for the purposes of financing water quality improvement programs, including whether a proposed revenue source would be sufficient for issuance of water quality revenue bonds.
- (6) A legislative proposal to implement each of the revenue sources proposed under this section.

The Treasurer's Office, in coordination with DEC and other agencies and departments, will host six public engagement meetings in spring 2016. The tentative dates and topics of these meetings are:

Monday, March 7, 2016	1:00 – 3:00	Introduction
Wednesday, April 27, 2016	10:00- 12:00	Costs: Agriculture & Natural Resources
Wednesday, April 27, 2016	1:00 – 3:00	Costs: Developed Lands, Roads & Wastewater
Wednesday, May 18, 2016	10:00- 12:00	Revenues: Agriculture & Natural Resources
Wednesday, May 18, 2016	1:00 – 3:00	Revenues: Developed Lands, Roads & Wastewater
Wednesday, June 1, 2016	10:00- 12:00	Summary and Next Steps

These meetings will held in Montpelier. We are currently working to line up the location.

Facilitators will include Treasurer Beth Pearce and DEC Commissioner Alyssa Schuren. The meetings will be open to stakeholders, legislators and members of the public. The meetings are structured by sector to accommodate different interests.

In looking at costs, participants will be asked to comment on, among other topics, the appropriate time period for analysis, the scope of costs to be included, the range of cost estimates, and major compliance deadlines. In looking at revenues, participants will be asked to comment on proposed relative contributions from federal, state, local and private sources; the role of loans in spreading costs over time; funding gaps; revenue options; criteria for evaluating revenue options; incorporating incentives into revenue options; and other topics.