

S.49. An Act Relating to Improving the Quality of State Waters:
Primary Sections Affecting Revenue of State

Section	Summary	Revenue Generated or Disposition of Funds
<p align="center">Sec. 3. Small Farm Certification; Operating Fee</p>	<ul style="list-style-type: none"> • Small farms shall be required to annually certify compliance with Required Agricultural Practices. • Small farms shall be required to pay a \$250 annual operating fee beginning July 1, 2017. • Small farms are a parcel of land: <ul style="list-style-type: none"> ○ with 10 acres used for farming, ○ less than the maximum number of animals, and ○ more than a specified number of animals <u>or</u> they produce crops for sale 	<ul style="list-style-type: none"> • Fee is deposited in the Clean Water Fund, to contribute to funding of 7 new Agency of Agriculture, Food and Markets' water quality positions. • Will raise approximately \$180,000 from small dairies. Additional revenue will be generated from other non-dairy farms required to provide certification.
<p align="center">Sec. 6. Large Farm Operations (LFO) Permit; Operating Fee</p>	<ul style="list-style-type: none"> • Farms subject to Large Farm Operations permit shall pay an annual operating fee of \$2,500. • Large farms have 700 or more nature dairy cows. 	<ul style="list-style-type: none"> • Fee is deposited in the Clean Water Fund, to contribute to funding of 7 new Agency of Agriculture, Food and Markets' water quality positions. • Will raise approximately \$67,000 annually.
<p align="center">Sec. 7. Medium Farm Operations (MFO) Permit; Operating Fee</p>	<ul style="list-style-type: none"> • Farms subject to MFO permit shall pay an annual operating fee of \$1,500. • Medium farms have between 200 and 699 mature dairy cows. 	<ul style="list-style-type: none"> • Fee is deposited in the Clean Water Fund, to contribute to funding of 7 new Agency of Agriculture, Food and Markets' water quality positions. • Will raise approximately \$208,000 annually.

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<p>Sec. 8. Commercial Feed Fee on Products Distributed in the State</p>	<ul style="list-style-type: none"> • Increases the annual registration fee for commercial feed <u>products</u> from \$85 to \$100. • “Commercial feed” means all materials except whole seeds unmixed or physically altered entire unmixed seeds, when not adulterated, which are distributed for use as feed or for mixing in feed. AAFM may exempt commodities such as hay, straw, stover, silage, cobs, husks, hulls, and individual chemical compounds or substances when not mixed with other materials and not adulterated. • Fee is not assessed on custom feed for farms. 	<ul style="list-style-type: none"> • The additional \$15.00 of fee is deposited in the Clean Water Fund, to contribute to funding for Agency of Agriculture, Food and Markets’ 7 new water quality positions.
<p>Sec. 10. Nonagricultural Fertilizer Fee</p>	<ul style="list-style-type: none"> • Establishes a \$30 a ton fee on <u>nonagricultural</u> fertilizer distributed in the State. (error in SNRE amend) • Persons who distributes nonagricultural fertilizer to a nonregistrant shall pay the fee. <ul style="list-style-type: none"> ○ A nonregistarnt is a person who is not a registrant. ○ A registrant is a person who is required to register fertilizers or lime. ○ Each brand or grade of fertilizer shall be registered in the name of the person whose name appears upon the label before being distributed in this State. • The \$30 fee is in addition to an existing \$0.25 fee per year on all fertilizer. 	<ul style="list-style-type: none"> • The minimum annual fee to be paid shall be \$150. • The new \$30.00 of fee is deposited in the Clean Water Fund, to contribute to funding for Agency of Agriculture, Food and Markets’ 7 new water quality positions. • The fee raises \$180,000 annually.

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<p>Sec. 11. Registration of Pesticides Fee</p>	<ul style="list-style-type: none"> • Sec.11 increases the annual product registration fee on economic poisons (pesticide) products from \$110 to \$125. • "Economic poison" means: (A) Any substance produced, distributed, or used for preventing, destroying, or repelling any insects, rodents, nematodes, fungi, weeds, or other forms of plant or animal life or viruses, except viruses on or in living man or other animals, which the secretary shall declare to be a pest; and (B) Any substance produced, distributed, or used as a plant regulator, defoliant, or desiccant. 	<ul style="list-style-type: none"> • The additional \$15.00 of fee is deposited in the Clean Water Fund, to contribute to funding for Agency of Agriculture, Food and Markets' 7 new water quality positions. • The fee raises \$165,000 annually.
<p>Sec. 15. Agriculture Water Quality Training</p>	<ul style="list-style-type: none"> • Sec. 15 requires AAFM to adopt rules for water quality training of owners or operator of LFOs, MFOs, and small farms. • Sec. 15 provides that the farmers shall not be charged for training classes. 	
<p>Secs. 23-25. Compliance with RAPs as Condition of Participation in Use Value Appraisal</p>	<ul style="list-style-type: none"> • Under Sec. 23, Property Valuation and Review (PVR) shall remove agricultural land or a farm building from use value appraisal (UVA) if the owner/operator is identified by AAFM as: <ul style="list-style-type: none"> ○ Out of compliance with the water quality requirements of 6 V.S.A. ch. 215; or ○ Not in compliance with an enforcement order for an agricultural water quality violation. • If land or a building is removed from UVA, a farmer may not apply for reenrollment until AAFM notifies PVR that the owner or operator is complying with: agricultural water quality requirements; or an enforcement order for 	

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	<p>an agricultural water quality violation.</p> <ul style="list-style-type: none"> ○ Upon certification of compliance, the owner or operator can apply for enrollment at any time according to the existing requirements for application. ● Sec. 25 redefines the term “development” under UVA to include AAFM notification of PVR to remove an agricultural parcel or farm building from UVA. <ul style="list-style-type: none"> ○ As “development,” agricultural land or a farm building included in an AAFM notification to PVR would be subject to the land use change tax. 	
<p>Sec. 37-40. Clean Water Fund</p>	<ul style="list-style-type: none"> ● Sec. 37 establishes a Clean Water Fund Special Fund to provide funding to: <ul style="list-style-type: none"> ○ assist the State in complying with water quality requirements and construction or implementation of water quality projects or programs; ○ fund staff positions at ANR, AAFM or AOT when positions are necessary to achieve or maintain compliance with water quality requirements and existing revenue source are inadequate to fund the positions; and ○ provide funding to nonprofit organizations, regional associations, and other entities for implementation and administration of community-based water quality programs or projects. ● The Fund shall consist of revenue from a \$25 per parcel fee on every parcel in the State, except for those specifically exempt. ● A Clean Water Fund Board shall administer the Fund. 	

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	<p>The Board shall consist of the Secretaries of ANR, AAFM, AOT, and ACCD.</p> <ul style="list-style-type: none"> • The Clean Water Fund Board shall make recommendations to the Secretary of Administration regarding how funds from the Clean Water Fund shall be included in the State budget. <ul style="list-style-type: none"> ○ The Secretary of Administration shall give deference to the Board’s recommendations. • The Clean Water Fund Board shall publish an annual report summarizing all Fund investments 	
<p>Sec. 38 Clean Water Fund Per Parcel fee</p>	<ul style="list-style-type: none"> • Assesses a \$25 fee on all parcels in the State • The fee is not assessed on property exempt from taxation, railroad track right-of-ways, or other property the State lacks authority to impose the fee. • The fee will be assessed and collected by municipalities as part of the tax bill. It will be listed separately as the “Clean Water Fund Per Parcel Fee.” • A municipality shall remit the fee to the State Treasurer but shall not be required to remit the amount of full liability for a parcel when the taxpayer fails to pay in full. • The Department of Taxes shall, in consultation with municipal officials, issue procedures regarding the process for collection; how parcels are assessed; remittance; and enforcement. 	<ul style="list-style-type: none"> • There are approximately 320,000 parcels in the State. • The \$25 per parcel fee would generate approximately \$8 million annually.
<p>Sec. 41 Appropriations for AAFM Staff</p>	<ul style="list-style-type: none"> • Appropriates \$952,000 from the Clean Water Fund to AAFM in FY2016 for seven new positions. • Amount of funding for positions may be lower. 	

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<p>Sec. 42. Appropriations for ANR Water Quality Staff</p>	<ul style="list-style-type: none"> • Appropriates \$1,312,556 from the Environmental Permit Fund to ANR in FY2016 for 13 water quality positions. 	
<p>Sec. 43. Agency of Administration Report on Impervious Surface Water Quality Fee</p>	<ul style="list-style-type: none"> • Sec. 43 requires Secretary of Administration to report the General Assembly by 2016 with a recommendation for establishing a fee on impervious surface for the purpose of water quality funding 	
<p>Sec. 44 DEC Permit Fees</p>	<ul style="list-style-type: none"> • Sec. 44 provides for increases in DEC fees for water quality related permits. 	<ul style="list-style-type: none"> • The increase in fees would provide additional revenue of \$1.3 million to be used for additional DEC water quality staff. • Fees deposited in the Environmental Permit Fund to pay for 13 additional staff at DEC.
<p>Secs. 45-46 Eliminating DEC Fee Exemptions</p>	<ul style="list-style-type: none"> • Sec. 45 removes permit fee exemption for municipalities, AOT and BGS. • The exemptions are removed for applications for stormwater operating permits, stream alteration, lake encroachment, and wetlands permit. • Sec. 46 requires ANR to assess new permit application fees on municipalities at end of applicable fiscal year in order to minimize effects on municipal budgets. 	