

**H. 610, As Passed by the House  
Section-By-Section Summary**

**10 V.S.A. chapter 55**

**Sec. 1. *Chapter Title.*** Redesignates chapter title to reflect new definitions in the chapter.

**Sec. 2. *Definitions.*** Sets forth definitions in chapter 47.

- Adds definition for “pollution abatement facilities” because the term was deleted from the chapter 55 definitions but it is used in two sections in chapter 47

**Sec. 3. *Prohibitions.*** Sets forth prohibitions under 10 V.S.A. chapter 47.

- Amends the cross-reference to the definition of “pollution abatement facilities” to the new chapter 47 definition

**Sec. 4. *Operation, Management, and Emergency Response Plans for Pollution Abatement Facilities.***

- Amends the cross-reference to the definition of “pollution abatement facilities” to the new chapter 47 definition

**Sec. 5. *Definitions.*** Sets forth definitions in chapter 55.

- Amends and consolidates definitions in 10 V.S.A. § 1571
- Repeals subdivision (3), “Combined sewer separation facilities,” because the term is now included in the definition of “water pollution abatement and control facilities”
- Amends the term “pollution abatement facilities” in subdivision (6) by changing it to “water pollution abatement and control facilities”
  - Expands definition to include all projects addressing surface water pollution problems
- Repeals “potable water supply facilities” in subdivision (7) and the term is moved to Title 24
- Adds definitions for sewage, waste, and stormwater because these terms are used in the “water pollution abatement and control facilities” definition
- Repeals “disadvantage municipality” and the term is moved to Title 24

**Sec. 6. *Coordinated Review.*** Review of eligible projects funded under the chapter.

- Repeals outdated statutory authority in 10 V.S.A. § 1572
- Repeals section delegating responsibility to the Department of Health (DOH) to review public water supply projects. When this section was originally adopted, DOH regulated public water systems and the Department of Environmental Conservation (DEC) managed the funding. Now DEC funds and regulates such systems

\* \* \* Engineering Planning Advances \* \* \*

**Sec. 7. *Planning.*** Allows a municipality to apply for a funding advance to develop engineering plans for public water supply systems or water pollution abatement and control facilities.

- Repeals section and language moved to Title 24

**Sec. 8. *Application.*** Sets forth application requirements for awarding engineering planning advances.

- Repeals section and language moved to Title 24

**Sec. 9. *Award of Advance.*** Sets forth process for awarding engineering planning advances.

- Repeals section and language moved to Title 24

**Sec. 10. *Payment of Awards.*** Sets forth process for making payments of engineering planning advances.

- Repeals section and language moved to Title 24

**Sec. 11. *Repayment of Advances.*** Sets forth repayment terms for planning advances.

- Repeals section and language moved to Title 24

\* \* \* Construction Grants \* \* \*

**Sec. 12. *Chapter Title.*** Redesignates chapter title to reflect aid in the form of grants only.

**Sec. 13. *Financial Assistance.*** Authorizes a municipality to apply for State assistance under the terms of the subchapter.

- Amends 10 V.S.A. § 1621 to make conforming changes and updates terms to be consistent with the new definitions in the chapter, and narrows scope of assistance to water pollution abatement and control facilities

**Sec. 14. *Eligible Projects.*** Sets forth eligible project costs for grants.

- Amends 10 V.S.A. § 1622 to make eligible project more consistent with new definitions in the chapter and narrows scope of projects to water pollution abatement and control facilities
- Strikes subdivision (1), relating to the eligible public water supply project costs, because these relate to loans and the language was moved to Title 24
- Strikes language in subdivision (1), relating to water supply grants, because grants for public water supply projects were contingent upon a municipality having voted for bonds for the project prior to April 5, 1997, and thus, this provision is no longer applicable
- Strikes language in subdivision (1), relating to \$3,000.00 grant allowances for administrative and legal costs, because those costs are now loan eligible
- Amends subdivision (2) to list specifically the eligible costs for “water pollution abatement and control facilities,” broadening scope

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- Strikes language in subdivision (2), relating to \$3,000.00 grant allowances for administrative and legal costs, because those costs are now loan eligible
- Strikes subdivisions (2)(B), (2)(C), and (3) because grants for those project types are covered as “water pollution abatement and control facilities,” and loans for those project types have been consolidated under chapter 120
- Strikes subdivision (2)(B)(4) and moves this language (requirement that water pollution abatement projects be in conformance with Act 250) to 10 V.S.A. § 1626b, the section on grants

**Sec. 15. *Application.*** Sets forth process for municipality to apply for State aid.

- Strikes language allowing a municipality to take on debt without prior voter approval

**Sec. 16. *Financial Assistance.*** Sets forth the terms for financial assistance for grants and loans.

[Repealed]

- Repeals subsection (a), relating to water supply grants, because grants for public water supply projects were contingent upon a municipality’s having voted for bonds for the project prior to April 5, 1997, so this language is now outdated
- Repeals subsection (b), relating to loans, and the language is moved to Title 24
- Repeals subsection (c) because this specific language regarding zebra mussel control is not necessary since the projects are already loan eligible
- Repeals subsection (d), relating to municipal match of federal funds, and the language is moved to Title 24

**Sec. 17. *Awards for Pollution Abatement Projects for Combined Sewer Overflows.*** [Repealed]

- Repeals 10 V.S.A. § 1624a because the grants previously provided under this section are now consolidated under section 1626b and the loans are consolidated under chapter 120

**Sec. 18. *Awards for Pollution Abatement Projects to Abate Dry Weather Flows.*** [Repealed]

- Repeals 10 V.S.A. § 1625 because the grants previously provided under this section are now consolidated under section 1626b

**Sec. 19. *Awards for Wastewater Treatment Plants with a Capacity of 250,000 or More Per Day.***

[Repealed].

- Repeals 10 V.S.A. § 1626a because the grants previously provided under this section are now consolidated under section 1626b and the loans are consolidated under chapter 120

**Sec. 20. *Municipal Water Pollution Control Grants.*** Adds a new section creating a consolidated process for awarding grant to municipalities for water pollution abatement and control facilities [See definition in Section 2].

- Sets forth application requirements for the grants
- Provides that grant amounts will be awarded pursuant to the priority system in section 1628
- Allows for grants of up to 35 percent of eligible project costs

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- Provides that awards be paid pursuant to section 1627 (periodic grant payments)

**Sec. 21. *Priorities.*** Provides system of priorities for making awards under chapter 120.

- Strikes “urgency” as this meaning is unclear
- Clarifies that the priorities are adopted by rule (currently a rule is in place)
- Strikes language relating to projects sponsored by town school districts for engineering planning advances
- Adds list of 11 criteria for consideration in the rule
- Strikes last sentence and moves language to section 1591

**Sec. 22. *Rules.*** Authorizes Department to adopt rules to administer subchapter.

- Clarifies that the Department adopts rules and not regulations

**Sec. 23. *State Administrative Departments.***

- Amends 10 V.S.A. § 1630 to update terms to be consistent with the new definitions in the chapter
- Restricts awards to State administrative departments to when the Department has a surplus of funds and all municipal grant applicants have received committed funds

#### **24 V.S.A. chapter 120**

**Sec. 24. *Declaration of Policy.*** Sets forth policy statement for chapter.

- Amends 24 V.S.A. § 4751 to update terms to be consistent with the new definitions in the chapter

**Sec. 25. *Definitions.*** Sets forth chapter definitions.

- Amends and consolidates definitions in 24 V.S.A. § 4752
- Adds definition for “water pollution abatement and control facilities” in subdivision (11), expanding scope of facilities
- Adds definition of “public water supply system”
  - Definition is cross-referenced to definition of public water system in section 1671
- Adds definitions for sewage, waste, and stormwater because these terms are used in the “water pollution abatement and control facilities” definition
- Adds definition for “potable water supply system” and “disadvantage municipality” because these terms are now used in Title 24 (moved from Title 10)

**\*\*\* Revolving Loan Funds \*\*\***

**Sec. 26. *Revolving Loan Funds; Authority to Spend; Report.*** Establishes nine revolving loan funds.

- Expands projects eligible for loans in subdivision (a)(1) under the Vermont Environmental Protection Agency (EPA) Pollution Control Revolving Fund to cover “water pollution abatement and control facilities” in order to be consistent with what is available under federal law
  - The definition of “treatment works” under 33 U.S.C. § 1292 is amended to allow loans for the acquisitions of land and specific types of interests in land for projects

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- Expands projects eligible for loans in subdivision (a)(2) under the Vermont Pollution Control Revolving Fund to cover “water pollution abatement and control facilities” in order to be consistent with what is available under federal law
- Amends subdivision (a)(3) to make it consistent with the provisions of 42 U.S.C. § 300j-3c, allowing loans for the acquisitions of land and specific types of interests in land for construction of projects
- Strikes the language “after project construction is substantially completed” in subdivision (a)(5) to account for the fact that loans granted under this fund for asset management planning do not have related construction, making them eligible for forgiveness upon approval of the plan
- Clarifies federal law authorizing the State to implement an intended use plan
- Adds reference to subdivision (a)(5) in subsection (b) because planning loans for privately owned water systems also come from the Vermont Drinking Water Planning Loan Fund and are administered by VEDA
- Repeals subsection (d) because those project types are consolidated under subdivisions (a)(1) and (2)

**Sec. 27. Awards from Revolving Loan Funds.** Sets forth legislative oversight over revolving loan fund awards granted under section 4753.

- Amends 24 V.S.A. § 4753a to update terms to be consistent with the new definitions in the chapter
- Repeals subsection (b) because of an outdated reporting requirement (due January 2000)
- Strikes loan forgiveness language in subsections (d) and (e) from the Vermont Environmental Agency Pollution Control Revolving Fund and Vermont Environmental Protection Agency Drinking Water State Revolving Fund requiring that the loans forgiven consist only of federal funds and provides more flexible loan forgiveness language
  - Rationale for this is that it has caused administrative difficulties because State and federal funds are blended

\* \* \* Loan Provisions \* \* \*

**Sec. 28. Loan Application.** Authorizes a municipality to apply for a loan under section 4753.

- Amends 24 V.S.A. § 4754 to update terms to be consistent with the new definitions in the chapter

**Sec. 29. Loan; Loan Agreements.** Sets conditions on a loan provided by the Bond Bank to a municipality.

- Amends 24 V.S.A. § 4753a to update terms to be consistent with the new definitions in the chapter and clarifies and consolidates ambiguous and duplicative language
- Strikes language in subdivision (a)(3)(A) because the Agency is proposing to repeal section 1624a, Awards for Pollution Abatement Projects for Combined Sewer Overflows
- Strikes language in subdivision (a)(3)(B) and inserts reference to section 4763c because relevant language has been moved to this section
- Creates subdivisions (a)(4)(A) and (B) to clarify that these are separate criteria

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- Strikes “80 percent of the average marketable obligations of the state” in subdivision (a)(5) and replaces with “the market interest rate,” to clarify what this means
  - “market interest rate” is the term used in the federal regulations regarding Clean Water State Revolving Funds (40 C.F.R. § 35.3120(b))
- Repeals subsection (d) because it is an outdated reporting requirement (due January 2003)
- Adds subsection (e) allowing State administrative departments to be deemed municipalities for purposes of loans under this chapter, with certain restrictions

**Sec. 30. *Loan Priorities.*** Sets forth process for creating project priority list.

- Amends 24 V.S.A. § 4758a to make conforming changes and update terms to be consistent with the new definitions in the chapter
- Strikes subdivisions (a)(1)–(6) and subsection (b) because the Agency proposes to rely upon the priority system adopted by rule pursuant to 10 V.S.A. § 1628 to determine which projects shall receive financing

**Sec. 31. *Loans for Public Water Supply Systems.*** Sets forth process for awarding loans for public water supply systems.

- Creates a new section 4763c in Title 24, moving language from 10 V.S.A. § 1624(b), with the following changes:
  - Strikes language referencing adjusting census data because median household income is now released annually by the U.S. Census Bureau
  - Strikes language referencing “80 percent of the average marketable obligations of the state” and replaces with “the market interest rate” because the meaning of the current language is not clear and “the market interest rate” is the term used in the federal regulations regarding Drinking Water State Revolving Funds (40 C.F.R. § 35.3525(a)(1))
  - Clarifies federal law authorizing the State to implement an intended use plan

**Sec. 32. *Municipal Match of Federal Revolving Funds.*** Sets forth process for municipal match for federal revolving loan funds.

- Creates a new section 4763 in Title 24, moving language from 10 V.S.A. § 1624(c), with the following change:
  - Clarifies federal law authorizing the State to implement an intended use plan

\* \* \* Engineering Planning Advances \* \* \*

**Sec. 33. *Planning.*** Allows a municipality to apply for a funding advance to develop engineering plans for public water supply systems or water pollution abatement and control facilities.

- Moves language in 10 V.S.A. § 1591 to 24 V.S.A. § 4764, making conforming changes and updating terms to be consistent with the new definitions in the chapter
- In subsection (a), adds definition for “engineering planning”
- In subsection (b), clarifies that funds for regional engineering planning advances come from total capital appropriations for construction grants

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- Adds a new subsection (c), which is existing language that is moved to this section from section 1628 because the language concerns engineering planning advances, rather than the priority system

**Sec. 34. *Application.*** Sets forth application requirements for awarding engineering planning advances.

- Moves language in 10 V.S.A. § 1592 to 24 V.S.A. § 4765

**Sec. 35. *Award of Advance.*** Sets forth process for awarding engineering planning advances.

- Moves language in 10 V.S.A. § 1593 to 24 V.S.A. § 4766, making conforming changes and updating terms to be consistent with the new definitions in the chapter
- Clarifies in subsection (a) how advances are awarded under standards established by the Department
- Removes references to combined sewer separation facilities because these are now included under the definition for “water pollution abatement and control facilities”
- Removes reference to requiring a municipality to show that “funds are not readily available through other established planning and design programs” because this may be difficult for a municipality to demonstrate

**Sec. 36. *Payment of Awards.*** Sets forth repayment terms for planning advances.

- Moves language in 10 V.S.A. § 1594 to 24 V.S.A. § 4767

**Sec. 37. *Repayment of Advances.*** Sets forth repayment terms for planning advances.

- Moves language in 10 V.S.A. § 1595 to 24 V.S.A. § 4768, making conforming changes and updating terms to be consistent with the new definitions in the chapter
- Amends terms for repayment of advances from the “first payment” to the *initial payments* of construction grants, and adds repayment for *loans authorized* by the Department

\* \* \* Report \* \* \*

**Sec. 38. *Report on Loans to Private Entities for Water Pollution Abatement and Control Facilities.***

- Requires the Agency to research and develop a report on whether to provide loans to private entities for water pollution abatement and control facilities and public water supply systems

\* \* \* Transition \* \* \*

**Sec. 39. *Transition.***

- Authorizes the Department to award assistance for grants under the current rule until the new priority rule is adopted
- Sets grant amounts for assistance during transition period

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\* \* \* Effective Date \* \* \*

**Sec. 40. *Effective Date.***

- Sets effective date on passage of act