

1 Introduced by
2 Referred to Committee on
3 Date:
4 Subject: Conservation and development; taxation; water resources; funding for
5 water quality improvement
6 Statement of purpose of bill as introduced: This bill proposes to establish
7 funding mechanisms to pay for water quality improvements in the State.

8 An act relating to clean water funding

9 It is hereby enacted by the General Assembly of the State of Vermont:

10 * * * Property Transfer Clean Water Surcharge; Extension of Sunset * * *

11 Sec. 1. 2015 Acts and Resolves No. 64, Sec. 39 is amended to read:

12 Sec. 39. ~~REPEAL OF CLEAN WATER SURCHARGE~~

13 ~~32 V.S.A. § 9602a (Clean Water Surcharge) shall be repealed on July 1,~~

14 ~~2018. [Repealed.]~~

15 * * * Fertilizer Fee * * *

16 Sec. 2. 6 V.S.A. § 366 is amended to read:

17 § 366. TONNAGE FEES

18 (a) A person distributing fertilizer to a nonregistrant consumer in the State
19 annually shall pay the following fees to the Secretary:

20 (1) a \$150.00 minimum tonnage fee;

1 (2) ~~\$0.50~~ \$25.00 per ton of agricultural fertilizer distributed; and

2 (3) \$30.00 per ton of nonagricultural fertilizer distributed.

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

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

13 (d) [Repealed.]

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

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

19 (g)(1) All fees collected under ~~subdivisions (a)(1) and (2)~~ subdivision
20 (a)(1) of this section shall be deposited in the special fund created by
21 subsection 364(e) of this title and used in accordance with its provisions.

1 (2) The dollar amount of a State grant shall be equal to the total eligible
2 project cost, less 10 percent of the total as paid by the applicant, and less the
3 amount of any federal assistance awarded, ~~except that a~~.

4 (3) A State grant shall not exceed 90 percent of the total eligible
5 project cost.

6 (b) Grant terms. A State grant awarded to an applicant under this
7 subchapter shall be awarded in accordance with a State grant containing terms
8 substantially the same as those required for receipt of a federal award for the
9 same purpose from the U.S. Department of Agriculture, except as provided by
10 the Secretary by rule.

11 (c) Waiver of cost share. The Secretary may waive the requirement that an
12 applicant for a State grant under this section pay at least 10 percent of the total
13 eligible project cost upon a determination that:

14 (1) the applicant lacks the ability to provide a cost share; and

15 (2) the public health or environmental benefit of eliminating a discharge
16 or potential discharge to a water of the State outweighs the need for a cost
17 share from the applicant.

18 * * * Wetlands Incentives * * *

19 Sec. 4. 6 V.S.A. chapter 215, subchapter 7 is amended to read:

20 Subchapter 7. ~~Farm Agronomic Practices Program~~
21 and Conservation Practices

1 § 4951. FARM AGRONOMIC PRACTICES PROGRAM

2 * * *

3 § 4952. VERMONT WETLANDS CONSERVATION PROGRAM

4 (a) Definition. As used in this section, wetlands shall have the same
5 meaning as set forth in 10 V.S.A. § 902.

6 (b) Incentive program. The Secretary of Agriculture, Food and Markets
7 shall establish a program to compensate farmers for removing wetlands from
8 agricultural practices and restoring the wetland or leaving it undisturbed so that
9 it may return to its natural condition. The incentive payment shall be in the
10 one-time payment of the price per acre of wetlands restored according to the
11 use value appraisal of agricultural land under 32 V.S.A. § 3752(12).

12 (c) Criteria. The Secretary of Agriculture, Food and Markets may establish
13 by procedure financial and technical criteria for the implementation and
14 operation of the wetlands conservation program established under this section.

15 (d) Use value lands. Land enrolled in the Use Value Appraisal Program
16 under 32 V.S.A. chapter 124 shall be eligible for participation in the wetlands
17 conservation program under this section.

18 * * * Water Quality Fines * * *

19 Sec. 5. 6 V.S.A. § 4995 is amended to read:

20 § 4995. CIVIL ENFORCEMENT

21 (a) The Secretary may bring an action in the Civil Division of the Superior
22 Court to enforce the requirements of this chapter, or rules adopted under this

1 chapter, or any permit or certification issued under this chapter, to assure
2 compliance, and to obtain penalties in the amounts described in subsection (b)
3 of this section. The action shall be brought by the Attorney General in the
4 name of the State.

5 (b) The Court may grant temporary and permanent injunctive relief, and
6 may:

7 * * *

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

15 * * *

16 (e)(1) In determining the amount of the penalty provided in subsection (b)
17 of this section, the Court shall consider the following:

18 (A) the degree of actual or potential impact on public health, safety,
19 welfare, and the environment resulting from the violation;

20 (B) the presence of mitigating circumstances, including unreasonable
21 delay by the Secretary in seeking enforcement;

1 (C) whether the respondent knew or had reason to know the violation
2 existed;

3 (D) the respondent's record of compliance;

4 (E) the deterrent effect of the penalty;

5 (F) the State's actual costs of enforcement; and

6 (G) the length of time the violation has existed.

7 (2) In determining the amount of the penalty provided in subsection (b)
8 of this section, the Court may consider additional relevant factors.

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

11 (g) Civil penalties and recaptured economic benefit penalties collected
12 under this section shall be deposited in the Clean Water Fund established under
13 10 V.S.A. § 1388.

14 Sec. 6. 10 V.S.A § 8022 is added to read:

15 § 8022. DISPOSITION OF WATER QUALITY PENALTIES

16 Monetary penalties, including administrative penalties, civil citations, and
17 economic benefits collected under this chapter for a violation of chapter 47 of
18 this title or for violation of 6 V.S.A. chapter 215 shall be deposited in the
19 Clean Water Fund established under section 1388 of this title.

1 Sec. 7. 10 V.S.A. § 8221 is amended to read:

2 § 8221. CIVIL ENFORCEMENT

3 (a) The Secretary, or the Natural Resources Board with respect to matters
4 relating to land use permits under chapter 151 of this title only, may bring an
5 action in the Civil Division of the Superior Court to enforce the provisions of
6 law specified in subsection 8003(a) of this title, to ensure compliance, and to
7 obtain penalties in the amounts described in subsection (b) of this section. The
8 action shall be brought by the Attorney General in the name of the State.

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

11 * * *

12 (6) Levy a civil penalty as provided in this subdivision. A civil penalty
13 of not more than \$85,000.00 may be imposed for each violation. In addition,
14 in the case of a continuing violation, a penalty of not more than \$42,500.00
15 may be imposed for each day the violation continues. In fixing the amount of
16 the penalty, the court shall apply the criteria set forth in subsections 8010(b)
17 and (c) of this title. The cost of collection of penalties or other monetary
18 awards shall be assessed against and added to a penalty assessed against a
19 respondent.

20 * * *

1 (e) Civil penalties collected under this section for a violation of chapter 47
2 of this title or for a violation of 6 V.S.A. chapter 215 shall be deposited in the
3 Clean Water Fund established under section 1388 of this title.

4 * * * Agricultural Water Quality Fee * * *

5 Sec. 8. 32 V.S.A. chapter 244 is added to read:

6 CHAPTER 244. AGRICULTURAL WATER QUALITY FEE

7 § 10501. AGRICULTURAL WATER QUALITY FEE

8 (a) Definition. As used in this section, “annual cropland” means land
9 devoted to the production, cultivation, harvesting, and management of annual
10 row crops, including sweet corn and pumpkins. “Annual cropland” shall not
11 include land where vegetable, fruit, or berry crops are grown for human
12 consumption or land where small grains are grown.

13 (b) Agricultural Water Quality Fee.

14 (1) A person required to be permitted or certified under 6 V.S.A. chapter
15 215 shall be assessed an annual agricultural water quality fee on every acre of
16 annual cropland cultivated by that person in the preceding calendar year.

17 (2) The Agriculture Water Quality Fee shall be in the amount of \$2.00
18 per acre of annual cropland.

19 (c) Maximum fee. The maximum fee assessed under this section on any
20 one person shall be \$1,000.00 per calendar year.

21 (d) Assessment and collection of fee.

1 (1) The Commissioner shall initiate collection of the Agricultural Water
2 Quality Fee on January 1, 2019. A person assessed the fee under subsection
3 (b) of this section shall remit to the Commissioner of Taxes payment of the
4 Agricultural Water Quality Fee on a form provided by the Commissioner. The
5 person paying the fee shall report the number of acres cultivated as annual
6 cropland in the preceding calendar year.

7 (2) In calculating the Agricultural Water Quality Fee, the Commissioner
8 shall round the acreage down to the nearest whole acre.

9 (3) The authority of the Commissioner under chapters 103 and 151 of
10 this title for assessment and collection of taxes, including authority regarding
11 payment, deficiency assessments, appeal, interest and penalty, enforcement,
12 and collection shall apply to the assessment and collection of the Agricultural
13 Water Quality Fee under this chapter.

14 (e) Disposition. The Commissioner shall deposit all fees collected under
15 this section in the Clean Water Fund, established under 10 V.S.A. § 1388, for
16 disbursement to farmers, farmer associations, or agricultural water quality
17 associations for agricultural water quality conservation and mitigation projects
18 and for transition to organic, regenerative, or pasture-based farming.

19 (f) Certificate of compliance. Upon receipt of payment under this section,
20 the Commissioner shall issue the person paying the fee a certificate of
21 compliance. The Commissioner shall provide a copy of the certificate of
22 compliance to the Secretary of Agriculture, Food and Markets. If after

1 March 1 of any year, the Commissioner of Taxes has not provided the
2 Secretary of Agriculture, Food and Markets with a certificate of compliance
3 for a farm, the Secretary of Agriculture, Food and Markets may suspend the
4 authority of the farm to operate, including suspension of a milk handler's
5 license under 6 V.S.A. chapter 151, until such time as the fee required by this
6 section is remitted to the Commissioner of Taxes and a certificate of
7 compliance is issued to the Secretary of Agriculture, Food and Markets.

8 **Sec. 9. REPEAL OF THE AGRICULTURAL WATER QUALITY FEE**

9 32 V.S.A. § 10501 (Agricultural Water Quality Fee) shall be repealed on
10 July 1, 2036.

11 * * * Wetland Restoration; Conserved Lands * * *

12 Sec. 10. 10 V.S.A. § 325c is added to read:

13 § 325c. WETLANDS RESTORATION; ACQUIRED LANDS

14 When the Board expends monies from the Fund established under section
15 312 of this title to acquire agricultural land, wildlife habitat, natural resources,
16 or other land, areas, or property under this chapter for conservation, the Board
17 shall require wetlands that have been farmed or otherwise converted to be
18 restored to a natural condition where future development or agricultural use is
19 limited. As used in this section, wetlands shall have the same meaning as set
20 forth in section 902 of this title.

21 * * * Rulemaking; Water Quality Credit Trading; Offsets; Impact Fees * * *

22 Sec. 11. 10 V.S.A. § 1285 is added to read:

1 § 1285. WATER QUALITY ALLOWANCE TRADING; RULEMAKING

2 (a) The Secretary of Natural Resources shall establish a voluntary water
3 quality allowance trading program allowing a person in control of a point
4 source or nonpoint source of phosphorus, nitrogen, or other pollutant to accrue,
5 register, and trade water quality allowances when the point source or nonpoint
6 source achieves greater pollutant reductions than required by an adopted total
7 maximum daily load (TMDL). A person accruing a water quality allowance
8 shall be authorized to trade or transfer the allowance for the excess reduction to
9 a person in control of another source so that person can use the allowance to
10 satisfy a wasteload allocation under a TMDL plan.

11 (b) The Secretary shall adopt by rule requirements for the operation of the
12 water quality trading program. The rules shall address:

13 (1) who may participate in the trading program, including conditions for
14 participation and persons or sources that are excluded from participation;

15 (2) how a discharge pollutant allowance that the State can auction can
16 be assigned to a point source based on the effluent limits in a discharge permit;

17 (3) how the State may auction discharge pollutant allowances;

18 (4) how a person can accrue a discharge pollutant allowance, including
19 conservation, restoration, or offset projects that can be completed to accrue an
20 allowance;

- 1 (3) where discharge pollutant allowances can be traded, including
2 whether an allowance may only be traded or used in the watershed where it
3 was located or under the TMDL for which it was allocated wasteload;
4 (4) how the accrual, transfer, or use of a discharge pollutant allowance is
5 documented; and
6 (5) any other requirement or provision necessary for implementation of
7 the water quality trading program.

8 Sec. 12. IMPLEMENTATION OF RULEMAKING FOR WATER
9 QUALITY CREDIT TRADING PROGRAM

10 On or before July 1, 2018, the Secretary of Natural Resources shall adopt
11 the rules required under 10 V.S.A. § 1285 for a water quality credit trading
12 program.

13 Sec. 13. SECRETARY OF NATURAL RESOURCES' REPORT ON THE
14 USE OF PHOSPHORUS OFFSETS AND IMPACT FEES

15 On or before January 15, 2018, the Secretary of Natural Resources shall
16 submit to the House Committee on Natural Resources, Fish and Wildlife and
17 the Senate Committee on Natural Resources and Energy a report regarding
18 implementation of offsets and impact fees to achieve reductions in phosphorus
19 wasteload allocations under a phosphorus total maximum daily load in the
20 State. The report shall include:

- 21 (1) a summary of how phosphorus offsets or impact fees may be used;

1 (2) a summary of how phosphorus offsets or impact fees are used in
2 other jurisdictions;

3 (3) how a standard or benchmark for phosphorus discharges or runoff
4 would be established so that an offset or impact fee could be calculated;

5 (4) how discharges or runoff would be monitored for phosphorus
6 content, including whether a surrogate could be used to measure phosphorus
7 content; and

8 (5) a recommendation of whether the State should authorize phosphorus
9 offsets or impact fees to achieve reductions in phosphorus wasteload
10 allocations under a phosphorus total maximum daily load in the State.

11 * * * Water Quality Aid Formula * * *

12 Sec. 14. 10 V.S.A. § 1389d is added to read:

13 § 1389d. STATE AID FOR WATER QUALITY IMPROVEMENTS

14 (a) Clean Water Fund Aid. Annually, the monies in the Clean Water Fund
15 under section 1388 of this title shall be appropriated for water quality
16 improvements in the State. The monies appropriated from the Clean Water
17 Fund shall be distributed for the following purposes to:

18 (1) municipalities for compliance with the municipal roads general
19 permit required under section 1264 of this title. The apportionment of these
20 funds to each municipality shall be at each municipality's percentage of town
21 highways of the total town highway mileage in the State.

1 (2) municipalities to implement additional control measures or
2 technology for the control or treatment of wastewater from pollution abatement
3 facilities permitted under section 1263 of this title.

4 (3) municipalities to comply with the legacy impervious surface general
5 permit required under section 1264 of this title, provided that monies received
6 by a municipality shall be expended only for impervious surface owned or
7 controlled by the municipality.

8 (4) the Agency of Agriculture, Food and Markets to provide financial
9 assistance to farmers in order to comply with agricultural water quality
10 requirements of 6 V.S.A. chapter 215.

11 (5) fulfill the priorities of the Fund set forth in subsection 1389(e) of this
12 title.

13 (b) Limitation of use. Each recipient of monies under this section shall use
14 the monies apportioned to it solely for the identified use in each
15 apportionment. A municipality or State agency shall repay the State the total
16 amount of any unauthorized expenditure of funds apportioned under this
17 section.

18 (c) Unexpended monies. Monies apportioned under this section that are
19 unexpended or uncommitted to a defined project within one year of
20 apportionment shall be returned to the Clean Water Fund for reapportionment
21 under this section.

1 (d) Report of expenditures. Recipients of monies under this section shall
2 report to the Clean Water Fund Board or a designee authorized by the Board
3 regarding the expenditure of monies apportioned under this section. The Clean
4 Water Fund Board may designate the information that recipients shall submit
5 as part of a report.

6 * * * Motor Vehicle Registration; Clean Water Fee * * *

7 Sec. 15. 23 V.S.A. § 360 is added to read:

8 § 360. CLEAN WATER FEE

9 (a) In addition to any other registration fee required under this subchapter,
10 a person registering a motor vehicle other than a trailer or semi-trailer shall be
11 assessed an annualized Clean Water Fee of \$10.00 at the time of first
12 registration and when registration is renewed.

13 (b) Fee proceeds collected under this section shall be deposited in the
14 Transportation Fund for disbursement to municipalities for environmental
15 conservation and mitigation projects related to stormwater and town highways.

16 * * * Diesel Tax * * *

17 Sec. 16. 23 V.S.A. § 3003 is amended to read:

18 § 3003. IMPOSITION OF TAX; EXCEPTIONS

19 (a) A tax of ~~\$0.28~~ \$0.29, a fee of \$0.01 established pursuant to the
20 provisions of 10 V.S.A. § 1942, and a \$0.03 motor fuel transportation
21 infrastructure assessment which for purposes of the International Fuel Tax

1 Agreement only shall be deemed to be a surcharge, are imposed on each gallon
2 of fuel:

- 3 (1) sold or delivered by a distributor; or
4 (2) used by a user.

5 * * *

6 Sec. 17. 23 V.S.A. § 3015 is amended to read:

7 § 3015. COMPUTATION AND PAYMENT OF TAX

8 Each report required under section 3014 of this title from licensed
9 distributors, dealers, or users shall be accompanied by a remittance payable to
10 the Department of Motor Vehicles for the amount of tax due which shall be
11 computed in the following manner:

12 (1) The distributor's tax shall be determined by multiplying the number
13 of gallons of fuel sold or delivered into the bulk tanks of dealers or users by the
14 rate per gallon stated in section 3003 of this title.

15 (2) Except as provided in subdivision 3002(9) of this title, the user's tax
16 shall be determined by multiplying the number of gallons of fuels used in
17 Vermont in motor vehicles operated by the user at the rate per gallon stated in
18 section 3003 for vehicles weighing or registered for 26,001 pounds or more.

19 The taxable gallonage shall be computed on the basis of miles travelled within
20 the State as compared to total miles travelled within and ~~without~~ outside the
21 State, with the actual method of computation prescribed by the Commissioner.

22 A distributor may use as the measure of the tax so levied and assessed the

1 gross quantity of fuel purchased, imported, produced, refined, manufactured,
2 and compounded by the distributor, instead of the quantity sold, distributed, or
3 used. From this amount of tax due, there shall be deducted the tax on fuel
4 purchased in this State on which the tax has been previously paid by the user,
5 provided the tax-paid purchases are supported by copies of the sales invoices
6 showing the amount of tax paid. Such copies shall be retained by the taxpayer
7 for a period of not less than three years and shall be available for inspection by
8 the Commissioner or his or her designated agents. If the computation shows
9 additional tax to be due, it shall be remitted with the report filed under section
10 3014 of this title.

11 * * *

12 (4) All taxes, interest, user license fees, and penalties collected by the
13 Department of Motor Vehicles under this chapter shall be forthwith paid to the
14 State Treasurer and credited to the Transportation Fund, provided that one cent
15 per gallon of the tax imposed under section 3003 of this title shall be allocated
16 to supplement funding for compliance by municipalities or the State with the
17 requirements of 10 V.S.A. § 1264 regarding management of stormwater.

18 (5) Notwithstanding subdivision (4) of this section, the one cent per
19 gallon fee imposed by this chapter shall be deposited into the Petroleum
20 Cleanup Fund established by 10 V.S.A. § 1941. These fees shall be deemed
21 the petroleum distributor licensing fee established by 10 V.S.A. § 1942.

22 * * * Gas Tax * * *

1 Sec. 18. 23 V.S.A. § 3106 is amended to read:

2 § 3106. IMPOSITION, RATE, AND PAYMENT OF TAX

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

8 (A) a tax of ~~\$0.121~~ \$0.131 upon each gallon of motor fuel sold by the
9 distributor; and

10 * * *

11 (c) Except as provided in ~~subsection (d)~~ subsections (d) and (e) of this
12 section, and subdivision 1220a(b)(3) of this title, all taxes, interest, and
13 penalties collected by the Department of Motor Vehicles under this chapter
14 shall be paid to the State Treasurer and credited to the Transportation Fund,
15 provided that one cent per gallon of the tax imposed under section 3003 of this
16 title shall be allocated to supplement funding for compliance by municipalities
17 or the State with the requirements of 10 V.S.A. § 1264 regarding management
18 of stormwater.

19 * * *

20 * * * Clean Water Affinity Card * * *

21 Sec. 19. 32 V.S.A. § 584a is added to read:

22 § 584a. VERMONT CLEAN WATER AFFINITY CARD PROGRAM

1 (a) The State Treasurer shall establish and sponsor the Vermont Clean
2 Water Affinity Card Program for the benefit of water quality improvement in
3 the State upon a determination that a Vermont Clean Water Infinity Card may
4 be procured at rates and terms in the best interest of the cardholders.

5 (b) In selecting an affinity card issuer, the Treasurer shall consider the
6 issuer's record of investments in the State and shall take into consideration
7 program features that will enhance the promotion of the State-sponsored
8 affinity card, including consumer-friendly terms, favorable interest rates,
9 annual fees, and other fees for using the card.

10 (c) The Treasurer shall allow cardholders to designate that funds be used to
11 support water quality programs in the State. The net proceeds of the State fees
12 or royalties generated by the Vermont Clean Water Affinity Card Program
13 shall be transmitted to the State and shall be deposited in the Clean Water Fund
14 under 10 V.S.A. § 1388 for use for the purposes of that Fund. The funds
15 received by the Treasurer under the Vermont Clean Water Affinity Card
16 Program shall be held by the Treasurer until transferred for the purposes
17 directed by participating State-sponsored affinity cardholders in accordance
18 with the trust fund provisions of section 462 of this title.

19 (d) The State shall not assume any liability for lost or stolen credit cards
20 nor any other legal debt owed to the financial institutions.

21 (e) The State Treasurer is authorized to adopt such rules as may be
22 necessary to implement the Vermont Clean Water Affinity Card Program.

1 * * * Use Value Appraisal; Agricultural Land * * *

2 Sec. 20. 32 V.S.A. § 3752 is amended to read:

3 § 3752. DEFINITIONS

4 As used in this subchapter:

5 (1) “Agricultural land” means any land, exclusive of any housesite, in
6 active use to grow hay or cultivated crops, pasture livestock, or to cultivate
7 trees bearing edible fruit or produce an annual maple product, and which is
8 25 acres or more in size except as provided in this subdivision (1).

9 Agricultural land includes buffer zones required in the required agricultural
10 practices adopted by the Secretary of Agriculture, Food and Markets under
11 6 V.S.A. § 4810. Agricultural land includes ecologically significant treatment
12 areas that satisfy minimum acceptable standards adopted by procedure by the
13 Secretary of Agriculture, Food and Markets. There shall be a presumption that
14 the land is used for agricultural purposes if:

15 (A) it is owned by a farmer and is part of the overall farm unit; or

16 (B) it is used by a farmer as part of his or her farming operation
17 under written lease for at least three years; or

18 (C) it has produced an annual gross income from the sale of farm
19 crops in one of two, or three of the five, calendar years preceding of at least:

20 (i) \$2,000.00 for parcels of up to 25 acres; and

21 (ii) \$75.00 per acre for each acre over 25, with the total income
22 required not to exceed \$5,000.00.

1 Sec. 21. 32 V.S.A. § 9241 is amended to read:

2 § 9241. IMPOSITION OF TAX

3 (a) An operator shall collect a tax of ~~nine~~ ten percent of the rent of each
4 occupancy plus a \$5.00 surcharge for each night of the occupancy.

5 (b) An operator shall collect a tax on the sale of each taxable meal at the
6 rate of ~~nine~~ ten percent of each full dollar of the total charge and on each sale
7 for less than one dollar and on each part of a dollar in excess of a full dollar in
8 accordance with the following formula:

9	\$0.01-0.11	\$0.01
10	0.12-0.22	0.02
11	0.23-0.33	0.03
12	0.34-0.44	0.04
13	0.45-0.55	0.05
14	0.56-0.66	0.06
15	0.67-0.77	0.07
16	0.78-0.88	0.08
17	0.89-1.00	0.09
18	<u>\$0.01-0.05</u>	<u>\$0.00</u>
19	<u>0.06-0.15</u>	<u>0.01</u>
20	<u>0.16-0.26</u>	<u>0.02</u>
21	<u>0.27-0.36</u>	<u>0.03</u>
22	<u>0.37-0.47</u>	<u>0.04</u>

1 0.48-0.57 0.05

2 0.58-0.68 0.06

3 0.69-0.78 0.07

4 0.79-0.89 0.08

5 0.90-0.99 0.09

6 (c) An operator shall collect a tax on each sale of alcoholic beverages at the
7 rate of ~~40~~ 11 percent of each full dollar of the total charge and on each sale for
8 less than one dollar and on each part of a dollar in excess of a full dollar in
9 accordance with the following formula:

10 ~~\$.01-.14~~ \$.01

11 ~~.15-.24~~ .02

12 ~~.25-.34~~ .03

13 ~~.35-.44~~ .04

14 ~~.45-.54~~ .05

15 ~~.55-.64~~ .06

16 ~~.65-.74~~ .07

17 ~~.75-.84~~ .08

18 ~~.85-.94~~ .09

19 ~~.95-1.00~~ .10

20 \$0.01-0.08 \$0.00

21 0.09-0.18 0.01

22 0.19-0.28 0.02

1 0.29-0.38 0.03

2 0.39-0.48 0.04

3 0.49-0.58 0.05

4 0.59-0.68 0.06

5 0.69-0.78 0.07

6 0.79-0.88 0.08

7 0.89-0.99 0.09

8 Sec. 22. 32 V.S.A. § 9241a is added to read:

9 § 9241a. OCCUPANCY SURCHARGE FUNDING

10 Notwithstanding section 435 of this title, the occupancy surcharge imposed
11 by section 9241 of this title shall be deposited in the Clean Water Fund
12 established under 10 V.S.A. § 1388.

13 Sec. 23. 32 V.S.A. § 9242(c) is amended to read:

14 (c) A tax of ~~nine~~ 10 percent of the gross receipts from meals and
15 occupancies and ~~10~~ 11 percent of the gross receipts from alcoholic beverages,
16 exclusive of taxes collected pursuant to section 9241 of this title, received from
17 occupancy rentals, taxable meals and alcoholic beverages by an operator, is
18 hereby levied and imposed and shall be paid to the State by the operator as
19 herein provided. Every person required to file a return under this chapter shall,
20 at the time of filing the return, pay the Commissioner the taxes imposed by this
21 chapter as well as all other monies collected by him or her under this chapter;
22 provided, however, that every person who collects the taxes on taxable meals

1 and alcoholic beverages according to the tax bracket schedules of section 9241
2 of this title shall be allowed to retain any amount lawfully collected by the
3 person in excess of the tax imposed by this chapter as compensation for the
4 keeping of prescribed records and the proper account and remitting of taxes.

5 * * * Imposition of Sales and Use Tax on Certain Rentals * * *

6 Sec. 24. 32 V.S.A. § 9771(9) is added to read:

7 (9) charges for marina services, charges for limousine services, charges
8 for the use of a commercial parking lot by a commercial parking business, and
9 the rental of self-storage facilities.

10 Sec. 25. 32 V.S.A. § 9773(6) is added to read:

11 (6) charges for marina services, charges for limousine services, charges
12 for the use of a commercial parking lot by a commercial parking business, and
13 the rental of self-storage facilities.

14 Sec. 26. 32 V.S.A. § 9701 is amended to read:

15 § 9701. DEFINITIONS

16 Unless the context in which they occur requires otherwise, the following
17 terms when used in this chapter mean:

18 (1) “Person” means an individual, partnership, society, association, joint
19 stock company, corporation, public corporation or public authority, estate,
20 receiver, trustee, assignee, referee, and any other person acting in a fiduciary or
21 representative capacity, whether appointed by a court or otherwise, and any
22 combination of the foregoing.

1 (60) “Vessel” shall have the same meaning as set forth in 23 V.S.A.

2 § 3302.

3 * * * Disposition of Funds; Clean Water Fund; General Fund * * *

4 Sec. 27. 10 V.S.A. § 1388 is amended to read:

5 § 1388. CLEAN WATER FUND

6 (a) There is created a special fund to be known as the “Clean Water Fund”
7 to be administered by the Secretary of Administration. The Fund shall
8 consist of:

9 (1) revenues dedicated for deposit into the Fund by the General
10 Assembly, including:

11 (A) the Property Transfer Tax surcharge established under 32 V.S.A.
12 § 9602a;

13 (B) 98 percent of the fertilizer fee collection under 6 V.S.A.
14 § 366(a)(2);

15 (C) water quality fines collected under 6 V.S.A. § 4995 and sections
16 8022 and 8221 of this title;

17 (D) five percent of the meals, rooms, and alcohol taxes levied under
18 32 V.S.A. chapter 225; and

19 (E) 0.75 percent of the revenue from sales and use taxes levied
20 pursuant to chapter 233 of title 32; and

1 (2) other gifts, donations, and impact fees received from any source,
2 public or private, dedicated for deposit into the Fund and approved by the
3 Secretary of Administration.

4 (b) Notwithstanding any contrary provisions of 32 V.S.A. chapter 7,
5 subchapter 5, unexpended balances and any earnings shall remain in the Fund
6 from year to year.

7 Sec. 28. 10 V.S.A. § 1389(e) is amended to read

8 (e) Priorities.

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

12 (A) funding to programs and projects that address sources of water
13 pollution in waters listed as impaired on the list of waters established by 33
14 U.S.C. § 1313(d);

15 (B) funding to projects that address sources of water pollution
16 identified as a significant contributor of water quality pollution, including
17 financial assistance to grant recipients at the initiation of a funded project;

18 (C) funding to programs or projects that address or repair riparian
19 conditions that increase the risk of flooding or pose a threat to life or property;

20 (D) assistance required for State and municipal compliance with
21 stormwater requirements for highways and roads;

1 (E) funding for education and outreach regarding the implementation
2 of water quality requirements, including funding for education, outreach,
3 demonstration, and access to tools for the implementation of the Acceptable
4 Management Practices for Maintaining Water Quality on Logging Jobs in
5 Vermont, as adopted by the Commissioner of Forests, Parks and Recreation;

6 (F) funding for innovative or alternative technologies or practices
7 designed to improve water quality or reduce sources of pollution to surface
8 waters, including funding for innovative nutrient removal technologies and
9 community-based methane digesters that utilize manure, wastewater, and food
10 residuals to produce energy; and

11 (G) funding to purchase agricultural land in order to take that land out
12 of practice when the State water quality requirements cannot be remediated
13 through agricultural Best Management Practices;

14 (H) ~~Funding~~ funding to municipalities for the establishment and
15 operation of stormwater utilities; and

16 (I) funding to farmers, farmer associations, or agricultural water
17 quality associations for agricultural water quality conservation and mitigation
18 projects and for transition to organic, regenerative, or pasture-based farming.

1 Sec. 29. 32 V.S.A. § 435 is amended to read:

2 § 435. GENERAL FUND

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

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

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

9 (2) [Repealed.]

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

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

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

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

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

17 (8) [Repealed.]

18 (9) Revenues from the Racing Fund consistent with 31 V.S.A. § ~~611~~
19 609;

20 (10) 33 percent of the revenue from the property transfer taxes levied
21 pursuant to chapter 231 of this title and the revenue from the gains taxes levied
22 each year pursuant to chapter 236 of this title;

1 (11) 65 percent of the revenue from sales and use taxes levied pursuant
2 to chapter 233 of this title;

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

6 * * * Working Group on Water Quality Funding * * *

7 Sec. 30. WORKING GROUP ON WATER QUALITY FUNDING

8 (a) Creation. There is created the Working Group on Water Quality
9 Funding to develop a recommended method of assessing a statewide
10 impervious surface fee, per parcel fee, per acre fee, or some combination of the
11 foregoing, in order to generate revenue to fund water quality restoration and
12 conservation in the State.

13 (b) Membership. The Working Group shall be composed of the following
14 11 members:

15 (1) The Secretary of Administration or designee;

16 (2) one current member of the House of Representatives, who shall be
17 appointed by the Speaker of the House;

18 (3) one current member of the Senate, who shall be appointed by the
19 Committee on Committees;

20 (4) one member from the Vermont League of Cities and Towns,
21 appointed by the Board of Directors of that organization;

1 (5) one member from the Vermont Municipal Clerks and Treasurers
2 Association, appointed by the Executive Board of that organization;

3 (6) one member from the Vermont Mayor’s Coalition appointed by that
4 organization;

5 (7) the Director of the Vermont Center for Geographic Information or
6 designee;

7 (8) the Commissioner of Environmental Conservation or designee;

8 (9) the Commissioner of Forests, Parks and Recreation or designee;

9 (10) a representative of an environmental advocacy group, appointed by
10 the Speaker of the House; and

11 (11) a representative of the agricultural community appointed by the
12 Vermont Association of Conservation Districts.

13 (c) Powers and duties. The Working Group on Water Quality Funding
14 shall recommend to the General Assembly draft legislation to establish a
15 statewide method of assessing an impervious surface fee, a per parcel fee, a per
16 acre fee, or some combination of the foregoing, in order to generate revenue to
17 fund water quality restoration and conservation in the State. In developing the
18 draft legislation, the Working Group shall address:

19 (1) whether the fee or fees shall be assessed on impervious surface, per
20 parcel, per acre, or some combination of the foregoing;

1 (2) whether the fee or fees shall be tiered to reflect the amount of
2 impervious surface, size of a parcel, acreage of a parcel, type of property,
3 usage of the property, impact of the property on water quality, or other factors;

4 (3) the amount of fee or fees to be assessed;

5 (4) how the fee or fees shall be collected and remitted to the State;

6 (5) whether any property shall be exempt from the fee or fees;

7 (6) how an owner of property subject to a municipal stormwater utility
8 fee or other revenue mechanism for funding water quality improvements shall
9 receive a credit or reduced fee for payment of the municipal fee; and

10 (7) how to provide for abatement, delinquency, and enforcement of the
11 required fee or fees.

12 (d) Assistance. The Working Group on Water Quality Funding shall have
13 the administrative, technical, and legal assistance of the Agency of
14 Administration and the Department of Taxes.

15 (e) Report. On or before January 15, 2018, the Working Group on Water
16 Quality Funding shall submit to the General Assembly a summary of its
17 activities and the draft legislation establishing a statewide method of assessing
18 an impervious surface fee, per parcel fee, per acre fee, or both.

19 (f) Meetings.

20 (1) The Secretary of Administration shall call the first meeting of the
21 Working Group on Water Quality Funding to occur on or before July 1, 2017.

1 (2) The Secretary of Administration shall be the Chair of the Working
2 Group on Water Quality Funding.

3 (3) A majority of the membership shall constitute a quorum.

4 (4) The Working Group on Water Quality Funding shall cease to exist
5 on March 1, 2018.

6 (g) Reimbursement.

7 (1) For attendance at meetings during adjournment of the General
8 Assembly, legislative members of the Working Group on Water Quality
9 Funding shall be entitled to per diem compensation and reimbursement of
10 expenses pursuant to 2 V.S.A. § 406.

11 (2) Other members of the Working Group on Water Quality Funding
12 who are not employees of the State of Vermont and who are not otherwise
13 compensated or reimbursed for their attendance shall be entitled to per diem
14 compensation and reimbursement of expenses pursuant to 32 V.S.A. § 1010.

15 (h) Appropriation. The sum of \$75,000.00 is appropriated to the Secretary
16 of Administration from the Clean Water Fund in fiscal year 2018 for per diem
17 compensation and reimbursement of expenses for members of the Working
18 Group on Water Quality Funding and to allow the Working Group to contract
19 with staff to provide technical or administrative services not available from the
20 Secretary of Administration or the Executive Branch as a whole.

21

1 * * * Repeal; Clean Water Funding Provisions * * *

2 Sec. 31. 6 V.S.A. § 366 is amended to read:

3 § 366. TONNAGE FEES

4 (a) A person distributing fertilizer to a nonregistrant consumer in the State
5 annually shall pay the following fees to the Secretary:

6 (1) a \$150.00 minimum tonnage fee;

7 (2) ~~\$25.00~~ \$0.50 per ton of agricultural fertilizer distributed; and

8 (3) \$30.00 per ton of nonagricultural fertilizer distributed.

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

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

19 (d) [Repealed.]

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

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

4 (g)(1) All fees collected under ~~subdivision (a)(1)~~ subdivisions (a)(1) and
5 (2) of this section shall be deposited in the special fund created by subsection
6 364(e) of this title and used in accordance with its provisions.

7 (2) ~~98 percent of the fees collected under subdivision (a)(2) of this~~
8 ~~section shall be deposited in the Clean Water Fund under 10 V.S.A. § 1388 and~~
9 ~~two percent of the fees collected under subdivision (a)(2) of this section shall~~
10 ~~be deposited in the special fund created by subsection 364(e) of this title and~~
11 ~~used in accordance with its provisions.~~

12 (3) All fees collected under subdivision (a)(3) of this section shall be
13 deposited in the Agricultural Water Quality Special Fund created under section
14 4803 of this title.

15 Sec. 32. 23 V.S.A. § 3003 is amended to read:

16 § 3003. IMPOSITION OF TAX; EXCEPTIONS

17 (a) A tax of ~~\$0.29~~ \$0.28, a fee of \$0.01 established pursuant to the
18 provisions of 10 V.S.A. § 1942, and a \$0.03 motor fuel transportation
19 infrastructure assessment which for purposes of the International Fuel Tax
20 Agreement only shall be deemed to be a surcharge, are imposed on each gallon
21 of fuel:

22 (1) sold or delivered by a distributor; or

1 (2) used by a user.

2 * * *

3 Sec. 33. 23 V.S.A. § 3015 is amended to read:

4 § 3015. COMPUTATION AND PAYMENT OF TAX

5 Each report required under section 3014 of this title from licensed
6 distributors, dealers, or users shall be accompanied by a remittance payable to
7 the Department of Motor Vehicles for the amount of tax due which shall be
8 computed in the following manner:

9 (1) The distributor's tax shall be determined by multiplying the number
10 of gallons of fuel sold or delivered into the bulk tanks of dealers or users by the
11 rate per gallon stated in section 3003 of this title.

12 (2) Except as provided in subdivision 3002(9) of this title, the user's tax
13 shall be determined by multiplying the number of gallons of fuels used in
14 Vermont in motor vehicles operated by the user at the rate per gallon stated in
15 section 3003 for vehicles weighing or registered for 26,001 pounds or more.

16 The taxable gallonage shall be computed on the basis of miles travelled within
17 the State as compared to total miles travelled within and outside the State, with
18 the actual method of computation prescribed by the Commissioner. A

19 distributor may use as the measure of the tax so levied and assessed the gross
20 quantity of fuel purchased, imported, produced, refined, manufactured, and
21 compounded by the distributor, instead of the quantity sold, distributed, or
22 used. From this amount of tax due, there shall be deducted the tax on fuel

1 purchased in this State on which the tax has been previously paid by the user,
2 provided the tax-paid purchases are supported by copies of the sales invoices
3 showing the amount of tax paid. Such copies shall be retained by the taxpayer
4 for a period of not less than three years and shall be available for inspection by
5 the Commissioner or his or her designated agents. If the computation shows
6 additional tax to be due, it shall be remitted with the report filed under section
7 3014 of this title.

8 * * *

9 (4) All taxes, interest, user license fees, and penalties collected by the
10 Department of Motor Vehicles under this chapter shall be forthwith paid to the
11 State Treasurer and credited to the Transportation Fund, ~~provided that one cent~~
12 ~~per gallon of the tax imposed under section 3003 of this title shall be allocated~~
13 ~~to supplement funding for compliance by municipalities or the State with the~~
14 ~~requirements of 10 V.S.A. § 1264 regarding management of stormwater.~~

15 (5) Notwithstanding subdivision (4) of this section, the one cent per
16 gallon fee imposed by this chapter shall be deposited into the Petroleum
17 Cleanup Fund established by 10 V.S.A. § 1941. These fees shall be deemed
18 the petroleum distributor licensing fee established by 10 V.S.A. § 1942.

19 Sec. 34. 23 V.S.A. § 3106 is amended to read:

20 **§ 3106. IMPOSITION, RATE, AND PAYMENT OF TAX**

21 (a)(1) Except for sales of motor fuels between distributors licensed in this
22 State, which sales shall be exempt from the taxes and assessments authorized

1 under this section, unless exempt under the laws of the United States at the
2 time of filing the report required by section 3108 of this title, each distributor
3 shall pay to the Commissioner:

4 (A) a tax of ~~\$0.134~~ \$0.121 upon each gallon of motor fuel sold by the
5 distributor; and

6 * * *

7 (c) Except as provided in subsections (d) and (e) of this section, and
8 subdivision 1220a(b)(3) of this title, all taxes, interest, and penalties collected
9 by the Department of Motor Vehicles under this chapter shall be paid to the
10 State Treasurer and credited to the Transportation Fund, ~~provided that one cent~~
11 ~~per gallon of the tax imposed under section 3003 of this title shall be allocated~~
12 ~~to supplement funding for compliance by municipalities or the State with the~~
13 ~~requirements of 10 V.S.A. § 1264 regarding management of stormwater.~~

14 Sec. 35. 32 V.S.A. § 9241 is amended to read:

15 § 9241. IMPOSITION OF TAX

16 (a) An operator shall collect a tax of ~~ten~~ nine percent of the rent of each
17 occupancy ~~plus a \$5.00 surcharge for each night of the occupancy.~~

18 (b) An operator shall collect a tax on the sale of each taxable meal at the
19 rate of ~~nine~~ ten percent of each full dollar of the total charge and on each sale
20 for less than one dollar and on each part of a dollar in excess of a full dollar in
21 accordance with the following formula:

22 ~~\$0.01-0.05~~ \$0.00

1	0.06-0.15	0.01
2	0.16-0.26	0.02
3	0.27-0.36	0.03
4	0.37-0.47	0.04
5	0.48-0.57	0.05
6	0.58-0.68	0.06
7	0.69-0.78	0.07
8	0.79-0.89	0.08
9	0.90-0.99	0.09
10	<u>\$0.01-0.11</u>	<u>\$0.01</u>
11	<u>0.12-0.22</u>	<u>0.02</u>
12	<u>0.23-0.33</u>	<u>0.03</u>
13	<u>0.34-0.44</u>	<u>0.04</u>
14	<u>0.45-0.55</u>	<u>0.05</u>
15	<u>0.56-0.66</u>	<u>0.06</u>
16	<u>0.67-0.77</u>	<u>0.07</u>
17	<u>0.78-0.88</u>	<u>0.08</u>
18	<u>0.89-1.00</u>	<u>0.09</u>

19 (c) An operator shall collect a tax on each sale of alcoholic beverages at the
20 rate of ~~44~~ 10 percent of each full dollar of the total charge and on each sale for
21 less than one dollar and on each part of a dollar in excess of a full dollar in
22 accordance with the following formula:

1	\$0.01-0.08	\$0.00
2	0.09-0.18	0.01
3	0.19-0.28	0.02
4	0.29-0.38	0.03
5	0.39-0.48	0.04
6	0.49-0.58	0.05
7	0.59-0.68	0.06
8	0.69-0.78	0.07
9	0.79-0.88	0.08
10	0.89-0.99	0.09
11	<u>\$.01-.14</u>	<u>\$.01</u>
12	<u>.15-.24</u>	<u>.02</u>
13	<u>.25-.34</u>	<u>.03</u>
14	<u>.35-.44</u>	<u>.04</u>
15	<u>.45-.54</u>	<u>.05</u>
16	<u>.55-.64</u>	<u>.06</u>
17	<u>.65-.74</u>	<u>.07</u>
18	<u>.75-.84</u>	<u>.08</u>
19	<u>.85-.94</u>	<u>.09</u>
20	<u>.95-1.00</u>	<u>.10</u>
21	Sec. 36. 32 V.S.A. § 9242(c) is amended to read:	

1 (c) A tax of ~~40~~ nine percent of the gross receipts from meals and
2 occupancies and ~~44~~ 10 percent of the gross receipts from alcoholic beverages,
3 exclusive of taxes collected pursuant to section 9241 of this title, received from
4 occupancy rentals, taxable meals and alcoholic beverages by an operator, is
5 hereby levied and imposed and shall be paid to the State by the operator as
6 herein provided. Every person required to file a return under this chapter shall,
7 at the time of filing the return, pay the Commissioner the taxes imposed by this
8 chapter as well as all other monies collected by him or her under this chapter;
9 provided, however, that every person who collects the taxes on taxable meals
10 and alcoholic beverages according to the tax bracket schedules of section 9241
11 of this title shall be allowed to retain any amount lawfully collected by the
12 person in excess of the tax imposed by this chapter as compensation for the
13 keeping of prescribed records and the proper account and remitting of taxes.

14 Sec. 37. 10 V.S.A. § 1388 is amended to read:

15 § 1388. CLEAN WATER FUND

16 (a) There is created a special fund to be known as the “Clean Water Fund”
17 to be administered by the Secretary of Administration. The Fund shall
18 consist of:

19 (1) revenues dedicated for deposit into the Fund by the General
20 Assembly, including:

21 ~~(A)~~ the Property Transfer Tax surcharge established under 32 V.S.A.
22 § 9602a;

1 ~~(B) 98 percent of the fertilizer fee collection under 6 V.S.A.~~

2 ~~§ 366(a)(2);~~

3 ~~(C) water quality fines collected under 6 V.S.A. § 4995 and sections~~
4 ~~8022 and 8221 of this title;~~

5 ~~(D) five percent of the meals, rooms, and alcohol taxes levied under~~
6 ~~32 V.S.A. chapter 225; and~~

7 ~~(E) 0.75 percent of the revenue from sales and use taxes levied~~
8 ~~pursuant to chapter 233 of title 32; and~~

9 (2) other gifts, donations, and impact fees received from any source,
10 public or private, dedicated for deposit into the Fund and approved by the
11 Secretary of Administration.

12 (b) Notwithstanding any contrary provisions of 32 V.S.A. chapter 7,
13 subchapter 5, unexpended balances and any earnings shall remain in the Fund
14 from year to year.

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

16 § 435. GENERAL FUND

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

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

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

1 (2) [Repealed.]

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

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

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

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

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

9 (8) [Repealed.]

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

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

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

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

19 **Sec. 39. REPEAL; CLEAN WATER FUNDING PROVISIONS**

20 The following shall be repealed on July 1, 2021:

21 (1) 6 V.S.A. § 4995(g) (agricultural water quality fines; Clean Water
22 Fund);

