

State Treasurer Clean Water Report: Potential Legislative Action

A. Appropriations—Existing Monies

1. Appropriate monies from Clean Water Fund (\$5m Property Transfer Tax Clean Water Surcharge).
2. Appropriate available capital, bonded dollars (\$15/20m) in FY2018 and FY2019.
 - How will this money be appropriated for water quality? Is it directed to the Clean Water Fund? Treasurer report recommends reallocation, see p.43, but not where.
3. Appropriate available Transportation Infrastructure Bond monies (\$5m).
 - State Treasurer report states that the money from the TIB would be used to make grants to municipalities and VTrans consistent with Vermont statutes. See p.45.
4. Reappropriate existing revenue sources.
 - State Treasurer provides that if General Assembly plans to use existing resource, the existing resource must be predictable, reliable, and built into base budget. See p. 62.

B. Revenue

1. Extend Clean Water Surcharge on Property Transfer Tax.
 - Treasurer recommends extending surcharge for one year until 2019. See p. 63.
2. Create an Affinity Card (i.e. a Rewards Credit card) highlighting State waters. See p. 63.
3. Use Existing Resources and Revenues (Reappropriate above). See. p. 64.
 - Treasurer's report provides no recommended use of existing resources/revenue other than Clean Water Surcharge. Examples of potential sources—EQIP; DEC Ecosystem Restoration Program.
 - Uncertain how recent federal actions would impact existing resources or revenues.
4. If existing resources or revenue does not reach target, consider adopting a per parcel fee and/or an impervious surface fee. See p. 64
 - Four Dep't of Taxes approaches \$16.7m to \$18.0m per year. See p. 66.

C. Administering or Assessing New Revenues

1. Water Quality Utility. See p.70.
 - Establish a local, regional, or state utility to collect per parcel and impervious fee and deliver water quality improvement services.
 - Treasurer's report focuses on local and regional utilities—incentivize creation of local and regional stormwater utilities. See. p. 6.
 - What are options if incentives are not sufficient for local or regional utility establishment?
2. Clean Water Block Grant Program. See p. 73.
 - Parcel fee and impervious fee collected. The State then uses State grant and contract programs to distribute the block grants. See. p.73
 - Unclear how fees are collected.
3. Municipal Clean Water State Aid Program. See p. 74.
 - Parcel fee and impervious fee collected. State aid program distributes funds to municipalities, utilities, partners, etc. using a funding formula.
 - Unclear how fees are collected.
4. Enhanced Management Using State Funding Programs. See p. 76.

D. Bonding

1. Reprioritize Existing General Obligation Debt. See p.42; Appropriations above.
2. Use Transportation Infrastructure Bond Revenue. See p.44; Appropriations above.
3. Allocate a portion of Transportation and General Capital Bonds to Long-Term Clean Water Compliance. See p. 47.
4. Possible Use of Municipal Equipment Loan Fund. See p. 47.
5. Private Activity Bonding. See p. 47.
6. Reallocated Loan Rate Structure for Clean Water State Revolving Fund ANR Administrative Fee to 1%. See p.48.
7. Future Leverage Bonding of CWSRF. See p. 51.

E. Policy

1. Stormwater offsets for phosphorus runoff/discharges. See p. 23.
2. Impact fees on phosphorus runoff/discharges. See p. 24.
3. Phosphorus credit Trading. See p. 25.
4. Wetlands restoration of property conserved with public funds. See p. 27.
5. Incentives to farmers to implement wetlands restoration as a best management practice. See p. 27.
6. Enroll more ecologically significant treatment areas in Use Value. See p. 27.
7. Amend Use Value to clarify that riparian buffers are eligible as active agricultural use. See p. 28.
8. Debt buy down for BMPs on farms. See p. 29.
9. Incent digester, including community digesters. See p. 30.
10. Clean Water Innovation Hub. See p. 32.
11. Modify State grant program to encourage natural resources restoration and protection. See p. 33.
12. Incent smart growth and redevelopment incentives for infill. See p. 33.