

1 H.64

2 Introduced by Representative Browning of Arlington

3 Referred to Committee on

4 Date:

5 Subject: Conservation and development; taxation; water quality

6 Statement of purpose of bill as introduced: This bill proposes to require the
7 Joint Fiscal Office to submit to the General Assembly a report that identifies
8 materials or activities in the State that contribute pollutants to State waters,
9 proposes excise taxes on these material or proposes removal of financial
10 incentives that the material or activity receives. The report would also require
11 the Secretary of Natural Resources to report to the General Assembly
12 regarding initiatives or methods for facilitating the formation of stormwater
13 utilities in municipalities or regions of the State with a density of development
14 or amount of impervious surface sufficient for the feasible implementation and
15 operation of a stormwater utility.

16 An act relating to financing water quality programs

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

18 Sec. 1. JOINT FISCAL OFFICE; REPORT ON TAX BENEFITS TO

19 ACTIVITIES THAT CONTRIBUTE POLLUTANTS TO WATERS

20 (a) Findings. The General Assembly finds that:

1 (1) Current Agency of Natural Resources assessments of Vermont
2 waters or water segments indicate that hundreds of waters or water segments in
3 the State do not meet water quality standards, are at risk of not meeting water
4 quality standards, or are altered due to the presence of aquatic nuisance
5 species.

6 (2) Addressing the cleanup of the waters of the State will require
7 significant financial resources. Efforts have been made to identify and allocate
8 revenue for the purpose of water quality programs in the State, but additional
9 financial resources are needed to fully implement the necessary water quality
10 programs in the State.

11 (3) Many contributors of pollutants to the waters of the State are free
12 from financial consequences for their activities or receive tax benefits or other
13 economic incentives for engaging in activities that contribute pollutants to
14 State waters.

15 (4) To ensure that all activities that contribute pollutants to waters of the
16 State provide an equitable share of the financial resources to cleanup of State
17 waters and do not receive inequitable tax or financial benefits from the State,
18 the State should:

19 (A) identify those materials sold in the State that contribute pollutants
20 to waters of the State and impose excise taxes on those materials to ensure that
21 sale of these materials contribute to the cleanup of the waters; and

1 (B) examine the taxation laws of the State of Vermont to identify tax
2 exemptions, tax credits, incentives, or other tax laws that subsidize or reduce
3 the after-tax costs of any activity or material that contributes pollutants to State
4 waters.

5 (b) Joint Fiscal Office report. On or before January 15, 2020, the Joint
6 Fiscal Office, after consultation with the Department of Taxes and the Agency
7 of Natural Resources, shall submit to the House Committee on Ways and
8 Means and the Senate Committee on Finance a report that includes the
9 following:

10 (1) A list of materials sold or used in the State that directly or indirectly
11 contribute pollutants to waters of the State through the nature of the materials
12 used or due to the nature or scope of use in the State.

13 (2) An assessment of whether any of the materials identified in
14 subdivision (1) of this subsection are subject to taxation under current State
15 law.

16 (3) An estimate of the amount or percentage of an excise tax to be
17 assessed on all materials listed under subdivision (a)(1) at a rate sufficient to
18 contribute water quality funding efforts in the State while not creating a barrier
19 or burden to sale or use of the materials in the State.

20 (4) A list or summary of activities in the State or materials sold in the
21 State that contribute pollutants to waters of the State but also receive a tax

1 benefit or financial incentive for engaging in the activity or sale of the
2 material. This list shall identify the tax benefit or financial incentive received
3 by the activity or material.

4 (5) Draft legislation to eliminate the tax benefits or financial incentives
5 identified under subdivision (4) of this subsection.

6 (6) An estimate of the revenue generated or retained by the State after
7 elimination of the tax benefits or financial incentives identified under
8 subdivision (4) of this subsection.

9 (7) An estimate of the amount of monies to be deposited in the Clean
10 Water Fund if all of the revenue identified in subdivision (6) of this subsection
11 would be deposited in the Clean Water Fund with the existing sources of
12 revenue in that Fund.

13 Sec. 2. ANR REPORT ON FACILITATING FORMATION OF
14 STORMWATER UTILITIES

15 On or before January 15, 2020, the Secretary of Natural Resources, after
16 consultation with the Vermont League of Cities and Towns, shall submit to the
17 House Committee on Natural Resources, Fish, and Wildlife and the Senate
18 Committee on Natural Resources and Energy recommended legislation,
19 initiatives, or methods for facilitating the formation of stormwater utilities in
20 municipalities or regions of the State with a density of development or amount

1 of impervious surface sufficient for the feasible implementation and operation
2 of a stormwater utility.

3 Sec. 3. EFFECTIVE DATE

4 This act shall take effect on passage.