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H.586

Introduced by Representatives Dolan of Waitsfield, Anthony of Barre City,
Bluemle of Burlington, Burrows of West Windsor, Chapin of
East Montpelier, Cole of Hartford, Holcombe of Norwich,
Hyman of South Burlington, Jerome of Brandon, Lalley of
Shelburne, Leavitt of Grand Isle, Masland of Thetford,
Mrowicki of Putney, Ode of Burlington, Patt of Worcester,
Pouech of Hinesburg, Priestley of Bradford, Rice of Dorset,
Squirrell of Underhill, Stebbins of Burlington, Stevens of
Waterbury, Stone of Burlington, Torre of Moretown, White of
Bethel, and Williams of Barre City

Referred to Committee on

Date:

Subject: Conservation and development; climate resilience; water pollution
control; Clean Water Fund; Water Quality Enhancement Grant
Program; planning; disclosure of flood information

Statement of purpose of bill as introduced: This bill proposes to amend or
enact multiple provisions related to improved flood protection and climate
resilience in the State. The bill would also establish or authorize additional
activities for the financing of climate mitigation, adaptation, and resilience
projects.

1 An act relating to flood protection and climate resilience infrastructure and
2 financing

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

4 * * * Climate Infrastructure and Resilience Fund * * *

5 Sec. 1. 10 V.S.A. chapter 12, subchapter 15 is added to read:

6 Subchapter 15. Climate Infrastructure and Resilience Fund

7 § 280gg. CLIMATE INFRASTRUCTURE AND RESILIENCE FUND;

8 CREATION; ADMINISTRATION; FUNDING

9 (a) There is established within the Authority the Climate Infrastructure and
10 Resilience Fund, the purpose of which shall be to enable the Authority to make
11 loans and provide other forms of financing for climate change mitigation and
12 resilience projects.

13 (b) The Fund shall be administered by the Climate Infrastructure and
14 Resilience Fund Board consisting of the State Treasurer or designee; the Chief
15 Executive Officer of the Authority or designee; the Executive Director of the
16 Vermont Housing and Conservation Board or designee; one person, appointed
17 by the Governor; one person, appointed by the Speaker of the House; and one
18 person, appointed by the Committee on Committees. The Climate
19 Infrastructure and Resilience Fund Board shall develop a statewide strategy for
20 the Authority to finance climate change mitigation and resilience projects. The
21 Board shall have the authority to recommend as part of the strategy how to

1 leverage existing federal, State, municipal, or private resources to support
2 investment in climate change mitigation and resilience projects in the State.

3 (c) The Climate Infrastructure and Resilience Fund shall consist of:

4 (1) two and one-half percent of the State's cash balance;

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

8 (3) other revenues dedicated for deposit into the Fund by the General
9 Assembly.

10 (d) Notwithstanding any contrary provisions of 32 V.S.A. chapter 7,
11 subchapter 5, unexpended balances and any earnings shall remain in the
12 Climate Infrastructure and Resilience Fund from year to year.

13 Sec. 2. CLIMATE INFRASTRUTURE AND RESILIENCE POSITIONS

14 (a) The positions funded under subsection (b) of this section are authorized
15 as permanent positions.

16 (b) In addition to other funds appropriated to the following State entities in
17 fiscal year 2025, the following appropriations from the General Fund are
18 appropriate to the following State entities for the purpose of staffing the
19 administration and implementation of the Climate Infrastructure and Resilience
20 Fund established under 10 V.S.A. § 280gg and the development, financing, or
21 support of climate mitigation and resilience projects:

- 1 (1) \$125,000.00 to the Vermont Development Authority;
2 (2) \$125,000.00 to the Office of the State Treasurer;
3 (3) \$125,000.00 to the Vermont Housing Conservation Board;
4 (4) \$125,000.00 to the Department of Public Service; and
5 (5) \$125,000.00 to the Agency of Natural Resources.

6 * * * Clean Water Fund * * *

7 Sec. 3. 10 V.S.A. § 1389 is amended to read:

8 § 1389. CLEAN WATER BOARD

9 * * *

10 (e) Priorities. In making recommendations under subsection (d) of this
11 section regarding the appropriate allocation of funds from the Clean Water
12 Fund, the Board shall prioritize as follows:

13 (1) As a first priority, make recommendations regarding funding for the
14 following grants and programs, which shall each be given equal priority:

15 (A) grants to clean water service providers to fund the reasonable
16 costs associated with the inspection, verification, operation, and maintenance
17 of clean water projects in a basin;

18 (B) the Water Quality Restoration Formula Grant under section 925
19 of this title;

20 (C) the Agency of Agriculture, Food and Markets' agricultural water
21 quality programs; ~~and~~

1 (D) the Water Quality Enhancement Grants under section 926 of this
2 title at a funding level of at least 20 percent of the annual balance of the Clean
3 Water Fund, provided that the maximum amount recommended under this
4 subdivision (D) in any year shall not exceed ~~\$5,000,000.00~~ \$8,000,000.00; and

5 (E) funding to partners for basin planning, basin water quality
6 council participation, education, and outreach as provided in subdivision
7 1253(d)(3) of this title, provided funding shall be at least \$500,000.00.

8 * * *

9 Sec. 4. 10 V.S.A. § 924 is amended to read:

10 § 924. CLEAN WATER SERVICE PROVIDER; RESPONSIBILITY FOR
11 CLEAN WATER PROJECTS

12 (a) Clean water service providers; establishment.

13 * * *

14 (5) When selecting clean water projects for implementation or funding,
15 a clean water service provider shall prioritize projects identified in the basin
16 plan for the area where the project is located ~~and~~, shall consider the pollutant
17 targets provided by the Secretary and the recommendations of the basin water
18 quality council, and shall prioritize projects that achieve one or more of the
19 following public values: protection or improvement of water quality, creation
20 or improvement of climate resilient watersheds and communities, and support
21 of ecological health of the State's waters.

1 (b) Project identification, prioritization, selection. When identifying,
2 prioritizing, and selecting a clean water project to meet a pollutant reduction
3 value, the clean water service provider shall consider ~~the pollution reduction~~
4 ~~value associated with the clean water project,~~ one or more of the following
5 public values: maintenance or improvement of water quality, creation or
6 improvement of climate resilient watersheds and communities, and support of
7 ecological health of the State's waters. Additional considerations include the
8 co-benefits provided by the project, qualitative values of natural resources
9 protection and restoration projects, operation, and maintenance of the project,
10 and conformance with the tactical basin plan, ~~and other water quality benefits~~
11 ~~beyond pollution reduction associated with that clean water project.~~ All
12 selected projects shall be entered into the watershed projects database.

13 * * *

14 Sec. 5. 10 V.S.A. § 926 is amended to read:

15 § 926. WATER QUALITY ENHANCEMENT GRANT PROGRAM

16 The Secretary shall administer a Water Quality Enhancement Grant
17 Program. This program shall be a competitive grant program to fund projects
18 that ~~protect high quality waters, maintain or improve~~ achieve one or more of
19 the following public values: protection or improvement of water quality in all
20 waters, restore degraded or stressed waters, create; creation or improvement of
21 climate resilient watersheds and communities; and support of the ecological

1 health of the State's waters. Other secondary benefits that support the public's
2 use and enjoyment of the State's waters may also be considered. When
3 making awards under this program, the Secretary shall consider the geographic
4 distribution of these funds. Not more than 15 percent of the total grant amount
5 awarded shall be used for administrative costs.

6 * * * VHCB Authority * * *

7 Sec. 6. 10 V.S.A. § 302 is amended to read:

8 § 302. POLICY, FINDINGS, AND PURPOSE

9 (a) The dual goals of creating affordable housing for Vermonters, and
10 conserving and protecting Vermont's agricultural land, forestland, historic
11 properties, important natural areas, and recreational lands are of primary
12 importance to the economic vitality and quality of life of the State.

13 (b) In the best interests of all of its citizens and in order to improve the
14 quality of life for Vermonters and to maintain for the benefit of future
15 generations the essential characteristics of the Vermont countryside, and to
16 support farm, forest, and related enterprises, Vermont should encourage and
17 assist in creating affordable housing and in preserving the State's agricultural
18 land, forestland, historic properties, important natural areas and recreational
19 lands, planning for climate impacts and improving climate resiliency, and in
20 keeping conserved agricultural land in production and affordable for future
21 generations of farmers.

1 (c) It is the purpose of this chapter to create the Vermont Housing and
2 Conservation Trust Fund to be administered by the Vermont Housing and
3 Conservation Board to further the policies established by subsections (a) and
4 (b) of this section.

5 Sec. 7. VERMONT HOUSING AND CONSERVATION BOARD;

6 FUNDING

7 Notwithstanding any law to the contrary, in fiscal year 2025, the Vermont
8 Housing and Conservation Trust Fund shall, as required under 10 V.S.A.
9 § 312, receive in appropriations from the State at least 50 percent of the
10 revenue from the property transfer tax under 32 V.S.A. chapter 23. The
11 Vermont Housing and Conservation Board (VHCB) shall use funding that
12 exceeds its proposed fiscal year 2025 budget for the following climate change
13 mitigation and resilience activities:

14 (1) continuation of VHCB's work to achieve more efficient, weatherized
15 and climate resilient affordable housing;

16 (2) expansion of VHCB's support for environmental infrastructure
17 investments to improve climate resilience;

18 (3) expansion of VHCB's support for working lands businesses to
19 achieve climate mitigation and improvement of soil health; and

20 (4) the use of at least \$5,000,000.00 to be made available to leverage
21 existing and new federal, State, municipal, private, and philanthropic resources

1 and employ innovative financing mechanisms to support Vermont investments
2 in nature-based climate resilience projects.

3 * * * Basin Planning * * *

4 Sec. 8. 10 V.S.A. § 1253(d) is amended to read:

5 (d)(1) Through the process of basin planning, the Secretary shall determine
6 what degree of water quality and classification should be obtained and
7 maintained for those waters not classified by the Board before 1981 following
8 the procedures in sections 1254 and 1258 of this title. Those waters shall be
9 classified in the public interest. The Secretary shall prepare and maintain an
10 overall surface water management plan to assure that the State water quality
11 standards are met in all State waters. The surface water management plan shall
12 include a schedule for updating the basin plans. The Secretary, in consultation
13 with regional planning commissions and the Natural Resources Conservation
14 Council, shall revise all 15 basin plans and update the basin plans on a five-
15 year rotating basis. On or before January 15 of each year, the Secretary shall
16 report to the House Committees on Agriculture, Food Resiliency, and Forestry
17 and on ~~Natural Resources, Fish, and Wildlife~~ Environment and Energy and to
18 the Senate Committees on Agriculture and on Natural Resources and Energy
19 regarding the progress made and difficulties encountered in revising basin
20 plans. The report shall include a summary of basin planning activities in the
21 previous calendar year, a schedule for the production of basin plans in the

1 subsequent calendar year, and a summary of actions to be taken over the
2 subsequent three years. The provisions of 2 V.S.A. § 20(d) (expiration of
3 required reports) shall not apply to the report to be made under this subsection.

4 (2) In developing a basin plan under this subsection, the Secretary shall:

5 (A) identify waters that should be reclassified outstanding resource
6 waters or that should have one or more uses reclassified under section 1252 of
7 this title;

8 (B) identify wetlands that should be reclassified as Class I wetlands;

9 (C) identify projects or activities within a basin that will result in the
10 protection and enhancement of water quality;

11 (D) review the evaluations performed by the Secretary under
12 subdivisions 922(a)(1) and (2) of this title and update those findings based on
13 any new data collected as part of a basin plan;

14 (E) for projects in the basin that will result in enhancement of
15 resources, including those that protect ~~high-quality~~ high-quality waters of
16 significant natural resources, the Secretary shall identify the funding needs
17 beyond those currently funded by the Clean Water Fund;

18 (F) ensure that municipal officials, citizens, natural resources
19 conservation districts, regional planning commissions, watershed groups, and
20 other interested groups and individuals are involved in the basin planning
21 process;

1 (G) ensure regional and local input in State water quality policy
2 development and planning processes;

3 (H) provide education to municipal officials and citizens regarding
4 the basin planning process;

5 (I) develop, in consultation with the regional planning commission,
6 an analysis and formal recommendation on conformance with the goals and
7 objectives of applicable regional plans;

8 (J) provide for public notice of a draft basin plan; ~~and~~

9 (K) provide for the opportunity of public comment on a draft basin
10 plan; and

11 (L) identify beneficial flood mitigation projects or practices that will
12 store flood waters and mitigate impacts to communities from severe weather.

13 * * *

14 * * * Mapping * * *

15 Sec. 9. MAPPING OF FLOOD RISKS AND FLOODPLAINS

16 (a) The Vermont Center for Geographic Information (VCGI) shall use all
17 Light Detection and Ranging (LIDAR) information produced or acquired by
18 VCGI to develop additional flood risk maps for the State of Vermont.

19 (b) On or before July 1, 2025, the Agency of Natural Resources shall
20 complete mapping of flood hazard areas for all municipalities in the State as
21 required under 10 V.S.A. § 753. The Agency shall coordinate with VCGI to

1 determine if LIDAR information within the possession of VCGI can be used to
2 develop flood hazard area maps as required by statute.

3 * * * Green Infrastructure for Climate Resilience Program * * *

4 Sec. 10. GREEN INFRASTRUCTURE FOR CLIMATE RESILIENCE
5 PROGRAM

6 (a) The Agency of Natural Resources, in consultation with the Agency of
7 Commerce and Community Development and the Agency of Transportation,
8 shall develop the Statewide Green Infrastructure for Climate Resilience
9 Program. The Program shall address:

10 (1) how to require or incent green infrastructure for the management of
11 stormwater in downtowns and villages;

12 (2) how to reduce the effects of urban heat islands in the State; and

13 (3) how to avoid the social and economic disruption of climate impacts
14 on the State.

15 (b) In addition to other funds appropriated to the Agency of Natural
16 Resources in fiscal year 2025, \$125,000.00 is appropriated to the Agency from
17 the General Fund for the purposes of funding one new permanent full-time
18 position to implement the Statewide Green Infrastructure for Climate
19 Resilience Program established under subsection (a) of this section.

1

*** Effective Date ***

2

Sec. 11. EFFECTIVE DATE

3

This act shall take effect on passage.