

1 S.243

2 Introduced by Senators Harrison, Brock, Clarkson, Cummings, Gulick,
3 Hashim, McCormack, Ram Hinsdale and Watson

4 Referred to Committee on

5 Date:

6 Subject: Municipal and county government

7 Statement of purpose of bill as introduced: This bill proposes to authorize
8 municipal stormwater utilities to enter cooperative agreements to share
9 financial resources and establish cooperative ratemaking. This bill also
10 proposes to establish grants for municipal stormwater utilities.

11 An act relating to the formation of stormwater utility districts

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

13 Sec. 1. 24 V.S.A. § 3503 is amended to read:

14 § 3503. CONTRACTS FOR SERVICE OR INTERMUNICIPAL

15 COOPERATION

16 (a) ~~Such~~ A municipal corporation may contract with the State; the federal
17 government or any appropriate federal agency ~~thereof~~; any town, city, or
18 village; any corporation; and individuals to ~~make disposal~~ manage or dispose
19 of domestic or stormwater sewage for ~~such~~ the other town, city, village,
20 corporation, or individuals.

1 (b) A municipal stormwater utility formed and operated pursuant to this
2 chapter or chapter 101 of this title may enter into an intermunicipal agreement
3 with other municipal stormwater utilities to share financial services, establish
4 rates, or otherwise cooperate on administrative matters.

5 Sec. 2. 24 V.S.A. § 3507 is amended to read:

6 § 3507. DUTIES

7 (a) ~~Such~~ The sewage system commissioners shall have the supervision of
8 ~~such~~ the municipal sewage system and shall make and establish all needed
9 assessments or rates for rent, with rules and regulations for its control and
10 operation. ~~Such~~ The commissioners may appoint or remove a superintendent
11 at their pleasure. The rents and receipts for the use of ~~such~~ the sewage system
12 shall be used and applied to pay the interest and principal of the sewage system
13 bonds of ~~such~~ the municipal corporation, the expense of maintenance and
14 operation of the sewage system, as well as dedicated fund payments provided
15 for in section 3616 of this title. For stormwater systems, the revenue may be
16 used for stormwater management, control, and treatment; flood resiliency;
17 floodplain restoration; and other similar measures.

18 (b) When a rate established under this section for the management of
19 stormwater is applied to property owned, controlled, or managed by the
20 Agency of Transportation, the rate shall not exceed the highest rate category
21 applicable to other properties in the municipality, and the Agency of

1 Transportation shall receive a 35 percent credit on the rate. The Agency of
2 Transportation shall receive no other credit on the rate from the municipal
3 corporation.

4 (c) The sewage system commissioners may establish a stormwater
5 assessment rate comprising equivalent residential units based on an average area
6 of impervious surface on a residential property within the municipality. The
7 equivalent residential unit may be used to calculate the fee to be assessed on all
8 property generating off-site stormwater. In a cooperative agreement, the rates may
9 be determined on a town-by-town basis and may be specific to a given member
10 town. Sewage system commissioners who have entered an agreement to
11 cooperate with other stormwater utilities pursuant to section 3503 of this title may
12 agree to ratemaking terms for equivalent residential units based on the
13 municipalities that have entered the agreement.

14 Sec. 3. 24 V.S.A. § 3615 is amended to read:

15 § 3615. RENTS; RATES

16 (a) ~~Such~~ The municipal corporation, through its board of sewage disposal
17 commissioners, may establish charges to be called “sewage disposal charges,”
18 to be paid at such times and in such manner as the commissioners may
19 prescribe. The commissioners may establish annual charges separately for
20 bond repayment, fixed operations and maintenance costs (not dependent on
21 actual use), and variable operations and maintenance costs dependent on flow.

22 Such charges may be based upon:

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(b) The basis for establishing sewer disposal charges shall be reviewed annually by sewage disposal commissioners. No premises otherwise exempt from taxation, including premises owned by the State of Vermont, shall, by virtue of any such exemption, be exempt from charges established ~~hereunder~~ pursuant to this section. The commissioners may change the rates of ~~such the~~ charges from time to time as may be reasonably required. Where one of the bases of ~~such the~~ charge is the appraised value and the premises to be appraised are tax exempt, the commissioners may cause the listers to appraise such property, including State property, for the purpose of determining the sewage disposal charges. The right of appeal from ~~such the~~ appraisal shall be the same as provided in 32 V.S.A. chapter 131. The Commissioner of Finance and Management is authorized to issue ~~his or her~~ the Commissioner's warrants for sewage disposal charges against State property and transmit to the State Treasurer, who shall draw a voucher in payment ~~thereof~~ of the charges. No charge so established and no tax levied under the provisions of section 3613 of this title shall be considered to be a part of any tax authorized to be assessed by the legislative body of any municipality for general purposes, but shall be in addition to any such tax so authorized to be assessed. Sewage disposal charges established in accord with this section may be assessed by the board of sewage disposal commissioners as provided in section 3614 of this title to derive the

1 revenue required to pay pollution charges assessed against a municipal
2 corporation under 10 V.S.A. § 1265.

3 * * *

4 (d) The sewage system commissioners may establish a stormwater
5 assessment rate comprising equivalent residential units based on an average area
6 of impervious surface on a residential property within the municipality. The
7 equivalent residential unit may be used to calculate the fee to be assessed on all
8 property generating off-site stormwater. In a cooperative agreement, the rates may
9 be determined on a town-by-town basis and may be specific to a given member
10 town. Sewage system commissioners who have entered an agreement to
11 cooperate with other stormwater utilities pursuant to section 3503 of this title may
12 agree to ratemaking terms for equivalent residential units based on the
13 municipalities that have entered the agreement.

14 Sec. 4. GRANTS FOR MUNICIPAL STORMWATER UTILITIES;

15 APPROPRIATION

16 (a) Municipalities may jointly apply to the Agency of Natural Resources
17 for a grant of up to \$100,000.00 to support the municipalities' joint stormwater
18 utility operations. The grant may be used for technical assistance from private
19 consultants or a governmental agency to establish the governance and structure
20 of the utilities, including assistance with ratemaking that is based on an
21 equivalent residential unit specific to each member town. The Agency shall

1 provide grants to not more than four groups of cooperating municipalities that
2 are located outside Chittenden County.

3 (b) The sum of \$400,000.00 is appropriated to the Agency of Natural
4 Resources in fiscal year 2025 for the purpose of administering the grants
5 established pursuant to this section.

6 Sec. 5. EFFECTIVE DATE

7 This act shall take effect on July 1, 2024.