

1 H.481

2 An act relating to stormwater management

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

4 Sec. 1. 10 V.S.A. § 1264 is amended to read:

5 § 1264. STORMWATER MANAGEMENT

6 * * *

7 (d) Exemptions.

8 * * *

9 (2) No permit is required under subdivision (c)(1), (5), or (7) of this
10 section and for which a municipality has assumed full legal responsibility as
11 part of a permit issued to the municipality by the Secretary. As used in this
12 subdivision, “full legal responsibility” means legal control of the stormwater
13 system, including a legal right to access the stormwater system, a legal duty to
14 properly maintain the stormwater system, and a legal duty to repair and replace
15 the stormwater system when it no longer adequately protects waters of the
16 State. Notwithstanding the provisions of 24 V.S.A. § 3254 to the contrary,
17 when a municipality assumes full legal responsibility for a stormwater system,
18 the municipality may assess municipal impact fees on users of the stormwater
19 system provided that a majority of the property owners subject to the impact
20 fee consented and the impact fee assessed is a fair apportionment to the user of
21 the cost of the improvement in accordance with the benefits the user received.

1 * * *

2 (g) General permits.

3 * * *

4 (3) Within 120 days after the adoption by the Secretary of the rules
5 required under subsection (f) of this section, the Secretary shall issue a general
6 permit under this section for discharges of stormwater from impervious surface
7 of three or more acres in size, when the stormwater discharge previously was
8 not permitted or was permitted under an individual permit or general permit
9 that did not incorporate the requirements of the 2002 Stormwater Management
10 Manual or any subsequently adopted Stormwater Management Manual. Under
11 the general permit, the Secretary shall:

12 (A) Establish a schedule for implementation of the general permit by
13 geographic area of the State. The schedule shall establish the date by which an
14 owner of impervious surface shall apply for coverage under this subdivision

15 (3). The schedule established by the Secretary shall require an owner of
16 impervious surface subject to permitting under this subdivision to obtain
17 coverage by the following dates:

18 (i) for impervious surface located within the Lake Champlain
19 watershed, the Lake Memphremagog watershed, or the watershed of a
20 stormwater-impaired water on or before October 1, ~~2023~~ 2028; and

1 (b) 2017 Acts and Resolves No. 85, Sec. I.11(a)(5) (effective date of sunset
2 of clean water surcharge) is repealed.

3 Sec. 3. 2017 Acts and Resolves No. 85, Sec. I.1(b) is amended to read:

4 (b) Purpose and intent.

5 (1) The purpose of Secs. I.1–I.12 of this act is to promote the
6 development and improvement of housing for Vermonters.

7 (2) It is the intent of the General Assembly:

8 (A) to extend the clean water surcharge to provide ~~an interim a~~
9 source of revenue for addressing water quality issues throughout the State; and

10 (B) to continue its work on identifying a long-term funding source or
11 sources that are sufficient in scope and targeted in design to address these
12 water quality issues; ~~and~~

13 (C) ~~once one or more long term funding sources are identified and~~
14 ~~enacted, but not later than July 1, 2027, to reduce the amount of the clean~~
15 ~~water surcharge to 0.04 percent.~~

16 Sec. 4. 2017 Acts and Resolves No. 85, Sec. I.12 is amended to read:

17 Sec. I.12. EFFECTIVE DATES

18 (a) Secs. I.1–I.12 shall take effect on July 1, 2017, ~~except that Sec. I.10~~
19 ~~(allocating clean water surcharge revenue to Vermont Housing and~~
20 ~~Conservation Trust Fund) shall take effect on July 1, 2027.~~

1 Sec. 5. 2017 Acts and Resolves No. 85, Sec. I.7(d) is amended to read:

2 (d) To compensate for this reduction of available property transfer tax
3 revenue, it is the intent of the General Assembly through this act to provide for
4 the transfer of \$2,500,000.00 to the Vermont Housing and Conservation Trust
5 Fund, as follows:

6 (1) Sec. D.100 of this act appropriates \$11,304,840.00 in fiscal year
7 2018 from the Vermont Housing and Conservation Trust Fund to the Vermont
8 Housing and Conservation Board. Upon the effective date of this act,
9 \$1,500,000.00 shall revert to the Fund, resulting in a fiscal year 2018 total
10 appropriation to the Board of \$9,804,840.00. In fiscal year 2018 only, the
11 amount of \$1,500,000.00 from the Vermont Housing and Conservation Trust
12 Fund shall be transferred to the General Fund.

13 (2) As provided in Sec. I.9 of this act, ~~from July 1, 2017 until~~
14 ~~July 1, 2027~~, pursuant to 32 V.S.A. § 9602a, the first \$1,000,000.00 in revenue
15 generated by the clean water surcharge of ~~0.2~~ 0.22 percent shall be transferred
16 to the Vermont Housing and Conservation Trust Fund. In fiscal year 2018
17 only, the Commissioner shall transfer the amount of \$1,000,000.00 from the
18 Vermont Housing and Conservation Trust Fund to the General Fund.

19 (3) ~~After July 1, 2027, pursuant to 32 V.S.A. § 9602a as amended in~~
20 ~~Sec. I.10 of this act, \$1,000,000.00 in total revenue generated by the clean~~

1 ~~water surcharge of 0.04 percent shall be transferred to the Vermont Housing~~
2 ~~and Conservation Trust Fund. [Repealed.]~~

3 (4) ~~As provided in Sec. I.11 of this act, the clean water surcharge will be~~
4 ~~repealed in its entirety on July 1, 2039. [Repealed.]~~

5 Sec. 6. 10 V.S.A. §§ 927 and 928 are amended to read:

6 § 927. DEVELOPED LANDS IMPLEMENTATION ~~GRANT~~ PROGRAM

7 The Secretary shall administer a Developed Lands Implementation ~~Grant~~
8 Program to provide ~~grants or financing~~ financial assistance to persons who are
9 required to obtain a permit to implement regulatory requirements that are
10 necessary to achieve water quality standards. ~~The grant or financing program~~
11 ~~shall only be available in basins where a clean water service provider has met~~
12 ~~its annual goals or is making sufficient progress, as determined by the~~
13 ~~Secretary, towards those goals.~~ This grant program shall fund or provide
14 financing for projects related to the permitting of impervious surface of three
15 acres or more under subdivision 1264(g)(3) of this title and for a permit
16 renewal under subdivision 1264(h)(2) of this title for a discharge to a
17 stormwater-impaired water that was permitted under an individual permit or a
18 general permit that did not incorporate the requirements of the 2002
19 Stormwater Management Manual or any subsequently adopted Stormwater
20 Management Manual. Not more than 15 percent of the total grant amount
21 awarded shall be used for administrative costs.

1 § 928. MUNICIPAL STORMWATER IMPLEMENTATION ~~GRANT~~
2 PROGRAM

3 The Secretary shall administer a Municipal Stormwater Implementation
4 Grant Program to provide ~~grants~~ financial assistance to any municipality
5 required under section 1264 of this title to obtain or seek coverage under the
6 municipal roads general permit, the municipal separate storm sewer systems
7 permit, a permit for impervious surface of three acres or more, or a permit
8 required by the Secretary to reduce the adverse impacts to water quality of a
9 discharge or stormwater runoff. ~~The grant program shall only be available in~~
10 ~~basins where a clean water service provider has met its annual goals or is~~
11 ~~making sufficient progress, as determined by the Secretary, towards those~~
12 ~~goals.~~ Not more than 15 percent of the total grant amount awarded shall be
13 used for administrative costs. This program shall be available to a
14 municipality to comply with a permit for impervious surface of three acres or
15 more for a residential subdivision when the municipality assumes full legal
16 responsibility for the stormwater system of the residential subdivision under
17 subsection 1264(c)(7) of this title.

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

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

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

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

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

8 (C) the Agency of Agriculture, Food and Markets' agricultural water
9 quality programs; and

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

14 (E) funding to partners for basin planning, basin water quality
15 council participation, education, and outreach as provided in subdivision
16 1253(d)(3) of this title, provided funding shall be at least \$500,000.00.

17 (2) As the next priority after reviewing funding requests for programs
18 identified under subdivision (1) of this subsection:

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

1 (B) 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 (C) funding for the Municipal Stormwater Implementation ~~Grant~~
7 Program as provided in section 928 of this title, including at least
8 \$1,000,000.00 annually for costs of complying with permitting requirements
9 under subdivision 1264(c)(7) of this title;

10 (D) funding for innovative or alternative technologies or practices
11 designed to improve water quality or reduce sources of pollution to surface
12 waters, including funding for innovative nutrient removal technologies and
13 community-based methane digesters that utilize manure, wastewater, and food
14 residuals to produce energy; ~~and~~

15 (E) funding to purchase agricultural land in order to take that land out
16 of practice when the State water quality requirements cannot be remediated
17 through agricultural Best Management Practices.

18 (3) As the next priority after reviewing funding requests under
19 subdivisions (1) and (2) of this subsection, funding for the Developed Lands
20 Implementation ~~Grant~~ Program as provided in section 927 of this title.

1 Sec. 8. RECOMMENDED APPROPRIATION

2 Notwithstanding any other provision of law, the Clean Water Board shall
3 recommend \$5,000,000.00 from the Clean Water Fund in fiscal year 2027 to
4 the Municipal Stormwater Implementation Program in 10 V.S.A. § 928 for
5 costs of complying with permitting requirements under 10 V.S.A.
6 § 1264(c)(7), including for residential subdivisions when the municipality
7 assumes full legal responsibility for the stormwater system.

8 Sec. 9. 24 V.S.A. § 3616 is amended to read:

9 § 3616. RENTS; RATES

10 (a) A municipal corporation, through its board may establish rates, rents, or
11 charges to be paid as the board may prescribe. The board may establish annual
12 charges separately for bond repayment, fixed operations and maintenance costs
13 and variable operations and maintenance costs dependent on flow.

14 (b) The rates, rents, or charges may be based upon:

15 (1) the metered consumption of water on premises connected with the
16 sewer system, however, the board may determine no user will be billed for
17 fixed operations and maintenance costs and bond payment less than the
18 average single-family charge;

19 (2) the number of equivalent units connected with or served by the
20 sewage system based upon their estimated flows compared to the estimated
21 flows from a single-family dwelling, however, the board may determine no

1 user will be billed less than the minimum charge determined for the single-
2 family dwelling charge for fixed operations and maintenance costs and bond
3 payment;

4 * * *

5 (6) for groundwater, surface, or stormwater an equivalent residential
6 unit based on an average or median of the area of impervious surface on
7 residential property within the municipality; or

8 (7) any combination of these bases, provided the combination is
9 equitable.

10 * * *

11 Sec. 10. STUDY COMMITTEE ON CREATION OF REGIONAL
12 STORMWATER UTILITY DISTRICTS

13 (a) Creation. There is created the Study Committee on the Creation of
14 Regional Stormwater Utility Districts to review the feasibility and benefit of
15 creating regional stormwater utility districts to facilitate implementation and
16 compliance with the water quality laws of the State.

17 (b) Membership. The Study Committee shall be composed of the
18 following members:

19 (1) the Commissioner of Environmental Conservation or designee;

20 (2) a representative of the Vermont League of Cities and Towns,

21 appointed by the Speaker of the House;

1 (3) a representative of a municipality subject to the municipal separate
2 storm sewer system (MS4) permit, appointed by the Committee on
3 Committees;

4 (4) a representative of a municipality with a population under 2,500
5 persons, appointed by the Speaker of the House;

6 (5) a representative of the Green Mountain Water Environment
7 Association, appointed by the Speaker of the House;

8 (6) a commercial or industrial business owner subject to the three-acre
9 stormwater permit or other stormwater requirements, appointed by the
10 Committee on Committees; and

11 (7) a representative of an environmental advocacy organization,
12 appointed by the Speaker of the House.

13 (c) Powers and duties. The Study Committee shall review the feasibility of
14 establishing regional stormwater utility districts in the State. The Study
15 Committee shall:

16 (1) review current statutory authority for the development of regional
17 stormwater utility districts comprised of multiple municipalities, including
18 identifying any potential disincentives or obstacles to utility formation;

19 (2) propose an approach the State could use for implementing a regional
20 stormwater utility that would allow the utilities to assume liability and

1 responsibility for compliance with water quality laws, including how a utility
2 could assume responsibility for:

3 (A) securing the permitting of properties subject to the three-acre
4 stormwater permit; and

5 (B) achieving the phosphorus reduction targets for the three-acre
6 stormwater permitted properties within the utility district;

7 (3) review and recommend cost-effective and equitable approaches for
8 regional level revenue raising and distribution of project funding for the
9 purpose of stormwater controls to meet total maximum daily load plans
10 (TMDLs) including:

11 (A) consideration of prior revenue-raising recommendations made in
12 the 2017 Clean Water Report from the Office of the State Treasurer;

13 (B) recommend whether and how to authorize a regional stormwater
14 utility to assess fees or charges to all landowners, residents, and businesses
15 within the regional stormwater utility district for the purpose of stormwater
16 controls to meet TMDLs;

17 (C) propose how a regional stormwater utility district could be
18 eligible for Clean Water State Revolving Loan Fund awards and access State-
19 level financial assistance for the design, construction, and operation and
20 maintenance of regulatory and non-regulatory stormwater systems, including
21 from the Clean Water State Revolving Loan Fund; and

1 (D) recommend whether and how a regional stormwater utility can
2 allocate resources and cost-effectively and equitably achieve pollutant
3 reduction measures that are not fully achieved by regulated sites, as might be
4 articulated in a regional stormwater management plan;

5 (4) propose how statute should be amended to implement any of the
6 recommendations of the Study Committee, including stormwater management
7 planning for purposes of overall regional phosphorus pollutant reductions; and

8 (5) estimate a cost to operate proposed regional stormwater utility
9 districts.

10 (d) Assistance. The Study Committee shall have the administrative,
11 technical, and legal assistance of the Department of Environmental
12 Conservation.

13 (e) Report. On or before January 15, 2027, the Study Committee shall
14 submit a written report to the House Committees on Environment and on
15 Government Operations and Military Affairs and the Senate Committees on
16 Natural Resources and Energy and on Government Operations with its findings
17 and any recommendations for legislative action.

18 (f) Meetings.

19 (1) The Commissioner of Environmental Conservation or designee shall
20 call the first meeting of the Study Committee.

1 (2) The Commissioner of Environmental Conservation or designee shall
2 be the Chair.

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

4 (4) The Study Committee shall cease to exist on March 1, 2027.

5 (g) Compensation and reimbursement. Members of the Study Committee
6 shall be entitled to per diem compensation and reimbursement of expenses as
7 permitted under 32 V.S.A. § 1010 for not more than eight meetings. These
8 payments shall be made from monies appropriated to the Agency of Natural
9 Resources.

10 Sec. 11. EFFECTIVE DATE

11 This act shall take effect on July 1, 2025.