



VERMONT LEGISLATIVE
Joint Fiscal Office

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Fiscal Note

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S.212 – An act relating to potable water supply and wastewater system connections

As recommended by the House Committee on Environment¹

Bill Summary

This bill would make various changes to water supply and wastewater permits at the Agency of Natural Resources (ANR). It would:

- create a new general permit for connections to potable water supplies and wastewater systems effective January 1, 2028;
- allow municipalities that are qualified to conduct the technical review of permit applications and receive approval from their legislative body to receive partial delegation of permitting authority for potable water supply and wastewater system connections;
- repeal current provisions that allow ANR to delegate full responsibility to municipalities for permitting and enforcement of potable water supply and wastewater system connections;
- require ANR to publish a manual by December 1, 2027 providing guidance to licensed designers in implementing the permit and determining the capacity of an existing public water system or pollution abatement facility;
- repeal existing exemptions from fees for certain projects;
- create a new \$100 administrative processing fee for municipally permitted projects;
- repeal the discounted \$50 fee for wastewater projects in designated Vermont neighborhoods; and
- allow ANR to delegate to the owner of a publicly owned treatment works (POTW) the authority to regulate pretreatment discharges to the POTW.

Fiscal Impact

The fiscal impact of the bill would come from four sources: a newly created \$100 administrative fee, the repeal of the discounted \$50 fee for projects located in a designated Vermont neighborhood, a new general permit fee schedule for connections to a potable water supply or wastewater system, and a repeal of exemptions from State permitting currently in the Department of Environmental Conservation's (DEC's) Wastewater System and Potable Water Supply Rules.

¹ *The Joint Fiscal Office (JFO) is a nonpartisan legislative office dedicated to producing unbiased fiscal analysis – this fiscal note is meant to provide information for legislative consideration, not to provide policy recommendations.*

Compared to current amounts of fee revenues received, these changes are expected on net to have a minimal impact to the Environmental Permit Fund, which pays for the implementation of ANR’s permitting programs and a portion of the costs of the Environmental Division of the Judiciary. Fiscal year 2025 revenues for the Fund were approximately \$11.3 million.

Compared with current law, on net the bill would increase fee revenues by an unknown amount, as the number of projects in the expanded designated areas created by Act 181 (2024) that would take advantage of the discounted \$50 permit fee is unclear.

Background and Details

Section 5: Administrative Fee

Section 5 would create a \$100 administrative fee for projects municipalities permit using their partially delegated authority for connections to potable water supply and wastewater systems. Additional revenue generated by this fee is expected to be minimal, as only a small number of municipalities are expected to receive partial delegation of permitting authority from ANR.

Section 5: Repeal of Discounted Permit Fees in Designated Neighborhoods

Under current law, projects that occur in designated Vermont neighborhoods pay a \$50 fee, a discount from the tiered fee structure based on the gallons per day of the project found in Table 1. Act 181 (2024) expanded the areas where projects could receive the discounted \$50 fee and required regional plans to show areas that qualify for designation.

These areas and plans are currently set to be approved by the Land Use Review Board (LURB) by December 31, 2026. Although the maps are not final, the areas that could be mapped as neighborhood areas have likely expanded, which would increase the number of projects eligible for the discounted fee.

This bill would remove the discounted \$50 fee. Starting in fiscal year 2027, all permit applications would pay according to the tiered fee structure tied to the size of a project in current law. This would increase permit revenue compared to current law, since projects that could have received the discount no longer would.

Section 5: Potable Water Supply and Wastewater System Connection General Permits

Starting in fiscal year 2028, potable water supply and wastewater system connection general permits would pay a different set of fees, reduced from the tiered structure in current law. This specific provision would reduce revenues compared to current law by an unknown negative amount, as the number of permits that would have paid the discounted \$50 fee in expanded designated areas is unclear.

Table 1: Comparison of Permit Fees Under Current Law and S.212

Permit Type	Current Law	Proposed – connection general permits	Proposed – All other projects
Residential permits in neighborhood growth areas, regardless of project size	\$50.00	Repealed	Repealed
Administrative Fee for Projects in Municipalities with Delegated Authority	N/A	\$100	N/A
Design flows 560 gpd or less*	\$306.25	\$250.00	\$306.25
Design flows greater than 560 and less than or equal to 2,000 gpd	\$870.00	\$250.00	\$870.00
Design flows greater than 2,000 and less than or equal to 6,500 gpd	\$3,000.00	\$2,500.00	\$3,000.00
Design flows greater than 6,500 and less than or equal to 10,000 gpd	\$7,500.00	\$5,000.00	\$7,500.00
Design flows greater than 10,000 gpd	\$13,500.00	\$5,000.00	\$13,500.00

*“gpd” stands for “gallons per day”

Section 6: Exemption Repeal

Section 6 would repeal exemptions from State permitting that are currently in rule for certain projects that modify design flows to a potable water supply or wastewater system serving an existing building or structure for municipalities that received full delegation of authority from ANR. By removing these exemptions, additional projects would pay permit fees, though the number of projects currently exempted is not known. The impact of this change would start in fiscal year 2028.

Sections 7 and 8: Pretreatment Programs

Section 7 would allow a municipality to regulate pretreatment flows to a POTW, contingent on the U.S. Environmental Protection Agency (EPA) authorizing, and notifying, ANR to work with a municipality to administer a pretreatment program. The language would not impact State revenues, it would only allow a municipality to charge fees to regulate pretreatment discharge to the POTW.

ⁱ The full fiscal note history is available on the fiscal tab of the bill page on the General Assembly website and can be pulled up through a bill number search on the JFO page.