



# **Highlights of H.481, the Three Acre Stormwater Rule, and the Lake Champlain TMDL**

*Jared Carpenter*

*Lake Champlain Committee*

*Before the Senate Committee on Natural Resources & Energy*

*March 28, 2025*

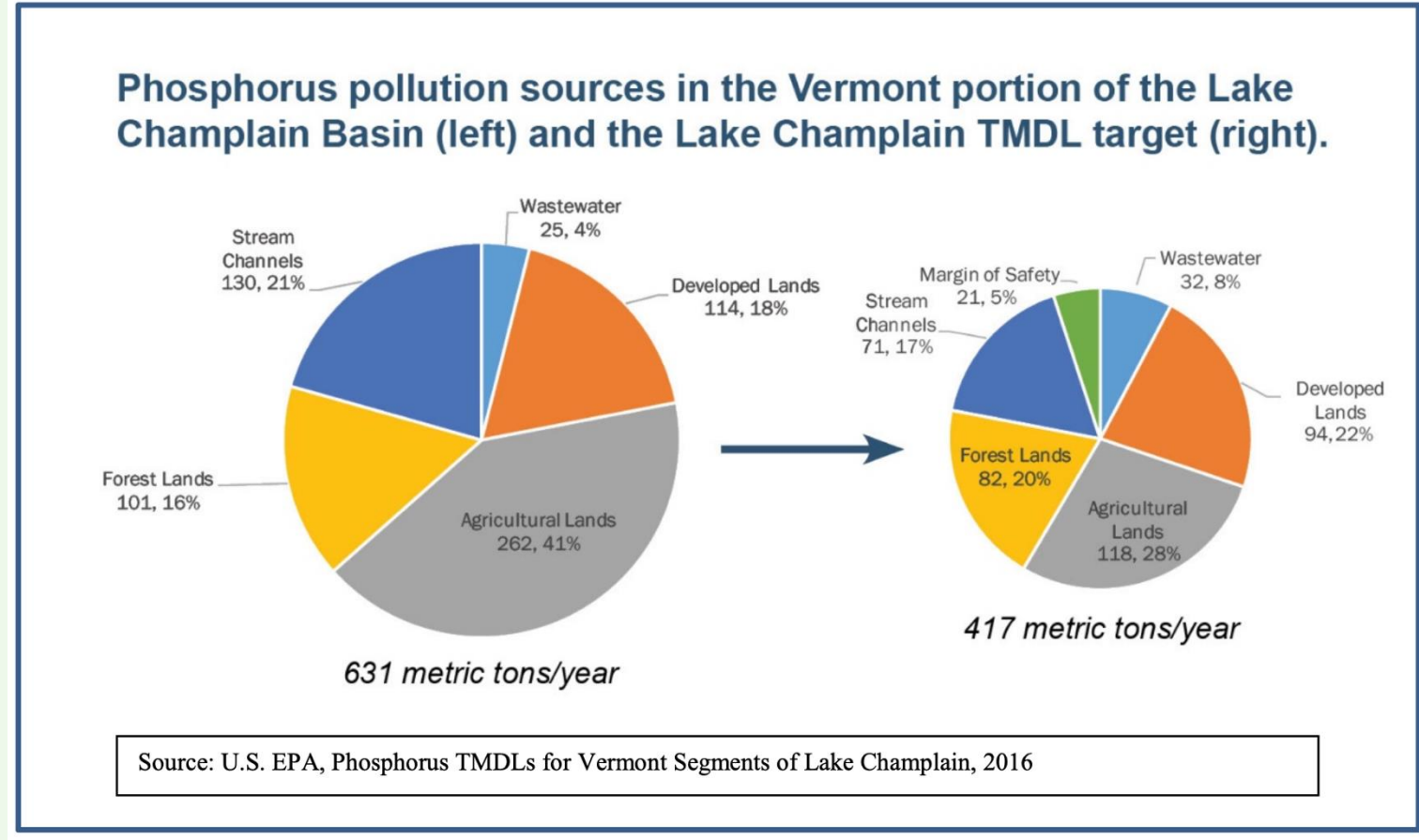


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  - Repeal of the Sunset of the Property Transfer Tax Clean Water Surcharge
  - Changes to the Clean Water Fund to help meet Three Acre requirements
  - Creation of the Regional Utility Study Committee

Under the 2016 TMDL, Vermont is required by EPA to reduce phosphorus runoff in the Lake Champlain Basin from 631 MT/yr to 417 MT/yr to benefit water quality and restore our lakes and rivers.

Overall, that is a 214 MT/yr reduction by 2036.





No. 64  
2015

**No. 64. An act relating to improving the quality of State waters.**

(H.35)

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

\* \* \* Findings and Purpose \* \* \*

Sec. 1. FINDINGS AND PURPOSE

(a) Findings. The General Assembly finds that:

(1) Within the borders of Vermont there are 7,100 miles of rivers and streams and 812 lakes and ponds of at least five acres in size.

(2) Vermont's surface waters are vital assets that provide the citizens of the State with clean water, recreation, and economic opportunity.

To address the required phosphorus reductions, the Vermont Legislature passed Act 64, the Vermont Clean Water Act.

This includes regulations to reduce phosphorus from the Developed Lands Sector from 114 MT/yr to 93 MT/yr.



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Act 64 established the basis for the Three Acre Stormwater Rule (10 V.S.A. §1264(c)(7)) as one of a series of stormwater rules to address runoff from impervious surfaces and meet the goals of the Developed Lands sector.

(7) In accordance with the schedule established under subdivision (g)(3) of this section, a person shall not discharge stormwater from impervious surface of three or more acres in size without first obtaining an individual permit or coverage under a general permit issued under this section if the discharge was never previously permitted or was permitted under an individual permit or general permit that did not incorporate the requirements of the 2002 Stormwater Management Manual or any subsequently adopted Stormwater Management Manual.

Currently, Vermont is falling short of its TMDL goals. Stormwater regulations are just being implemented and will play a vital role in controlling runoff and reducing phosphorus.

Recall, the goal is a 214 MT/yr reduction by 2036

*From the Clean Water Initiative 2024 Performance Report, pg. 60.*

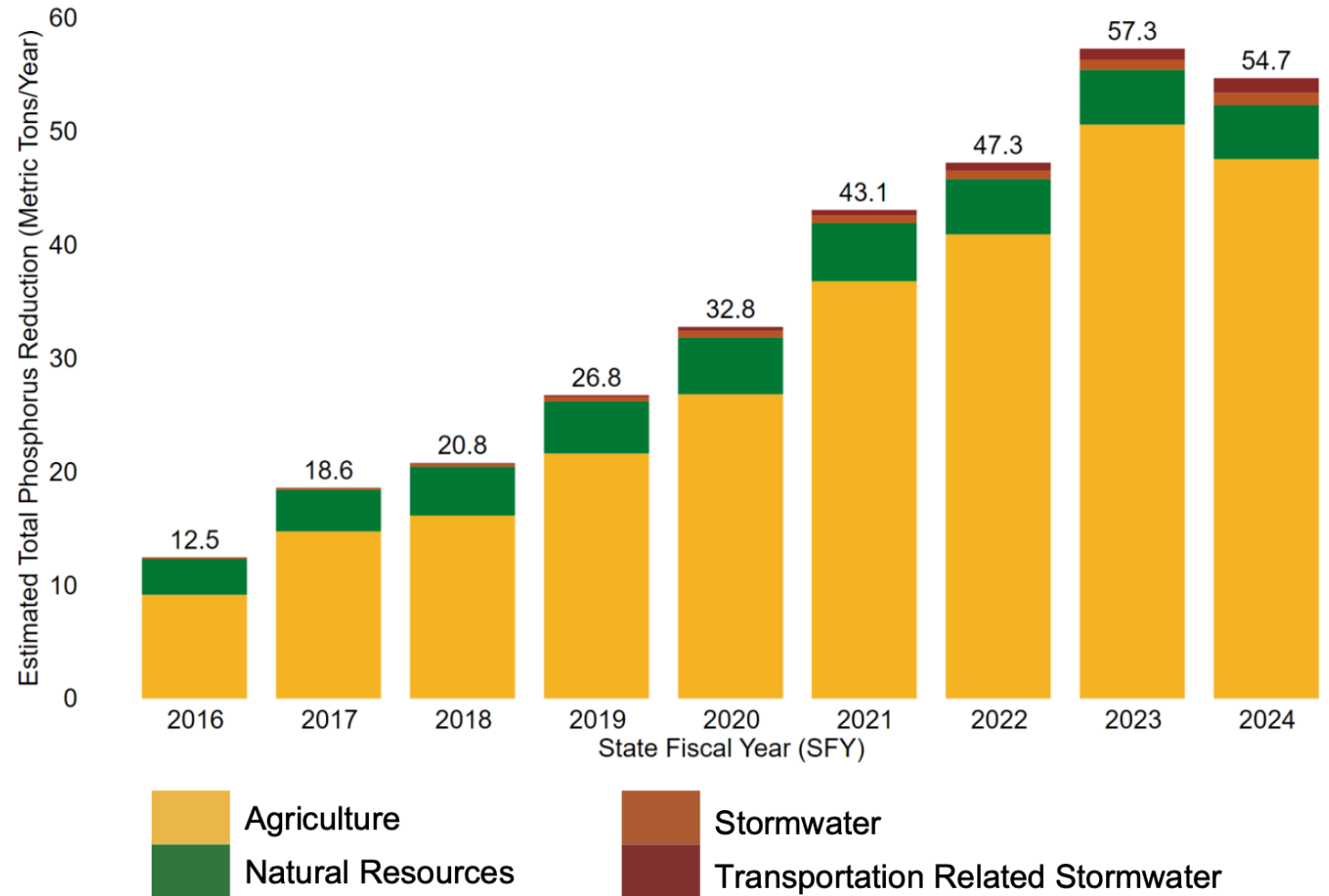
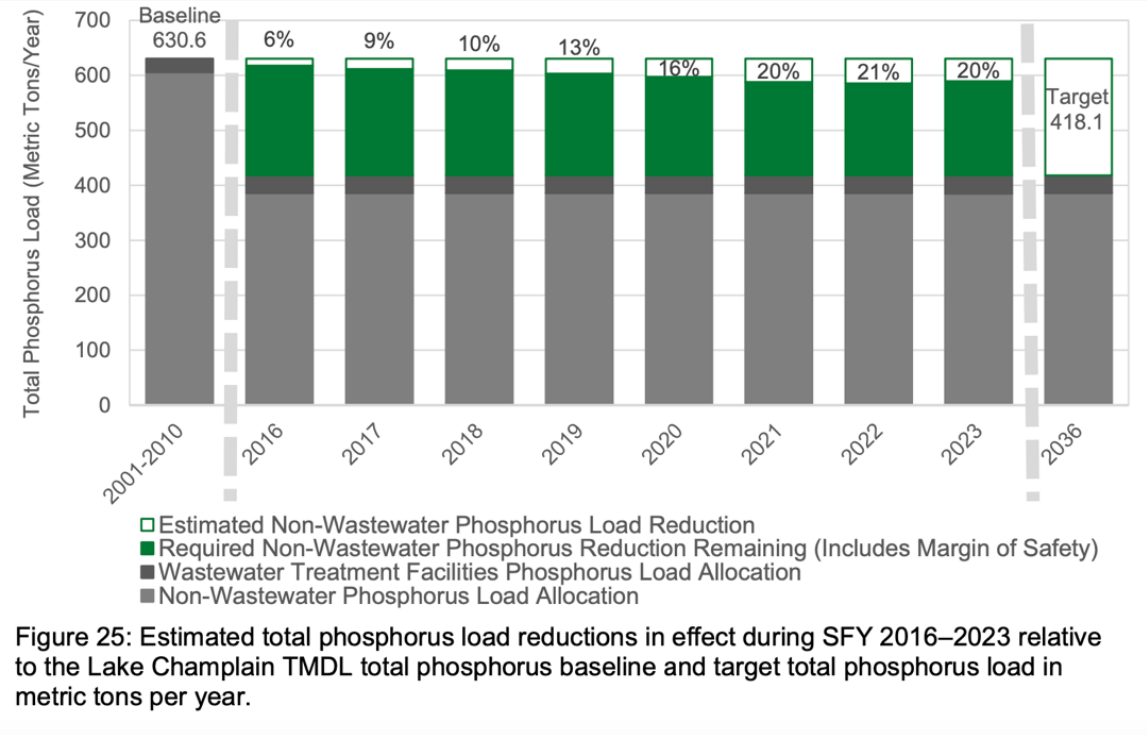
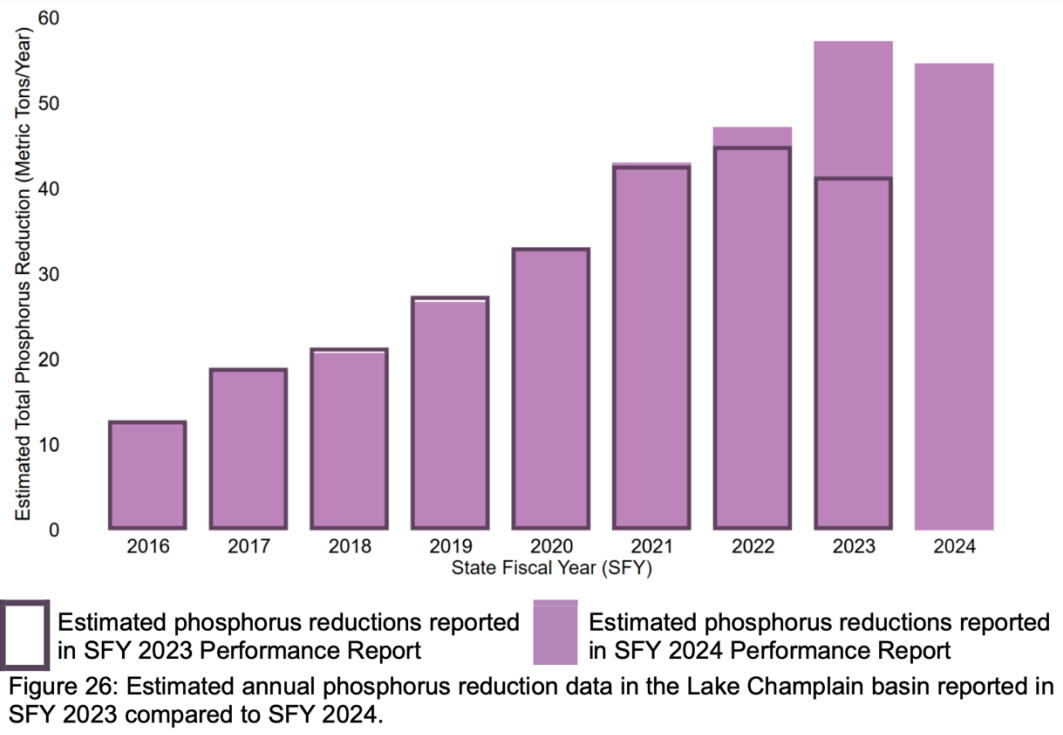


Figure 25: Annual estimated total phosphorus load reductions (MT/year) associated with projects implemented through state and federal funding and regulatory programs in the Lake Champlain basin in effect during SFY 2016–2024 by land use sector.<sup>50</sup>



Even adjusted, the state is falling short of its midterm goals. With annual reduction levels at about 55 MT/yr almost ten years after Act 64 (2015) was enacted, there is a lot of work to do to reach 214 MT/yr by 2036.



From the Clean Water Initiative 2024 Performance Report, pg. 60.





# *H.481, An act relating to stormwater management*

Three key provisions:

- Repeal of the Sunset of the Property Transfer Tax Clean Water Surcharge
- Changes to the Clean Water Fund to help meet Three Acre requirements
- Creation of the Regional Utility Study Committee

BILL AS INTRODUCED  
2025

H.481  
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1 H.481  
2 Introduced by Committee on Environment  
3 Date:  
4 Subject: Conservation and development; water quality; stormwater; three-acre  
5 permit  
6 Statement of purpose of bill as introduced: This bill proposes to amend  
7 requirements related to the permitting of stormwater systems in the State. The  
8 bill would extend the deadline by which owners of impervious surface subject  
9 to the three-acre impervious surface permit must complete permitting. The bill  
10 also would allow municipalities that assume full legal responsibility for a  
11 stormwater system to assess municipal impact fees on users of the stormwater  
12 system. In addition, the bill repeals the sunset of the clean water surcharge on  
13 the property transfer tax. The bill also would create the Study Committee on





# First, the Property Transfer Tax Clean Water Surcharge is an important revenue source for the Vermont Clean Water Fund (10 V.S.A. §1388)

## **§ 1388. Clean Water Fund**

(a) There is created a special fund to be known as the Clean Water Fund to be administered by the Secretary of Administration. The Fund shall consist of:

- (1) revenues from the Property Transfer Tax surcharge established under 32 V.S.A. § 9602a;
- (2) other gifts, donations, and impact fees received from any source, public or private, dedicated for deposit into the Fund and approved by the Secretary of Administration;
- (3) the unclaimed beverage container deposits (escheats) remitted to the State under chapter 53 of this title;
- (4) six percent of the revenues from the meals and rooms taxes imposed under 32 V.S.A. chapter 225; and
- (5) other revenues dedicated for deposit into the Fund by the General Assembly.

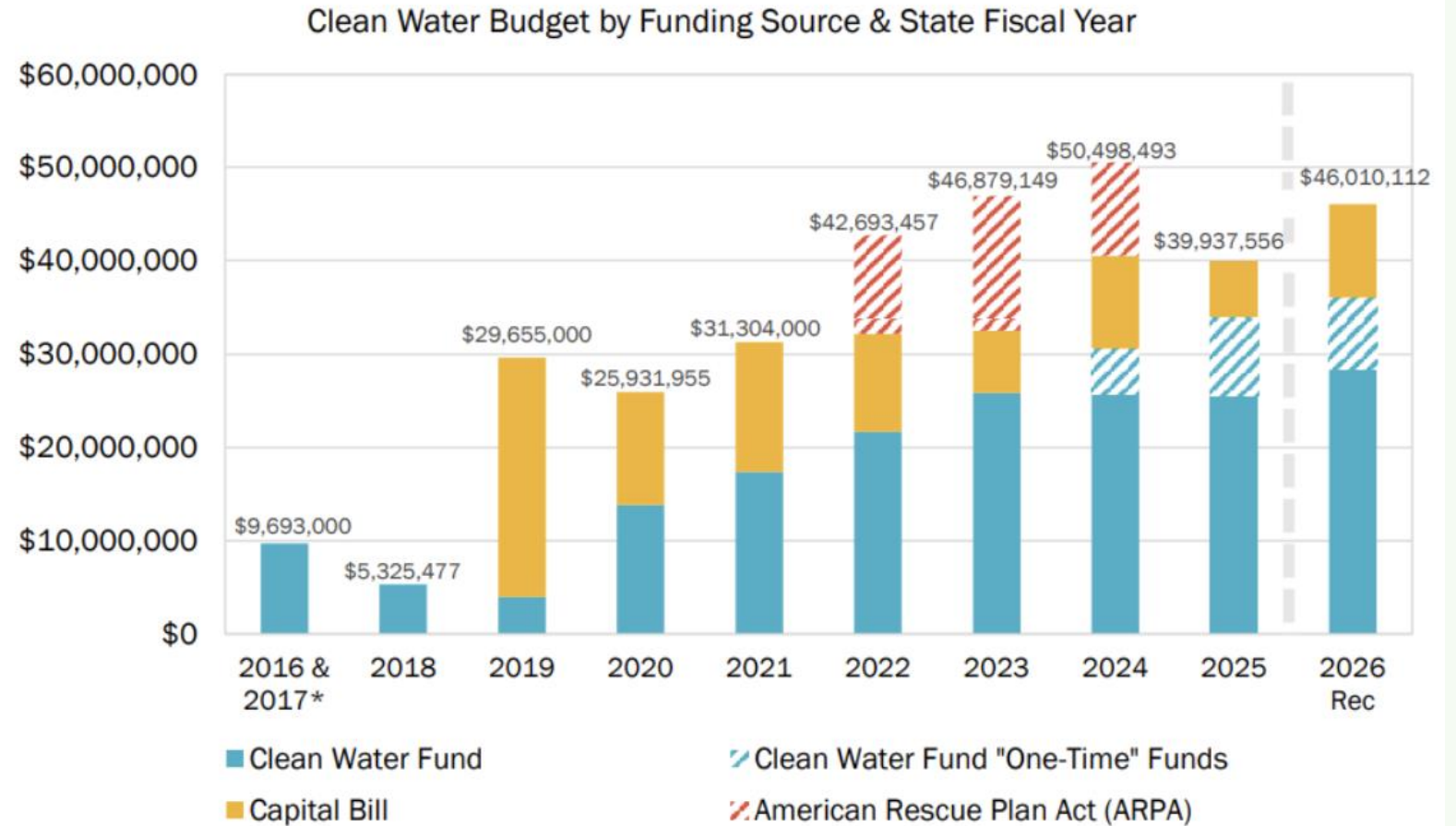
(b) Notwithstanding any contrary provisions of 32 V.S.A. chapter 7, subchapter 5, unexpended balances and any earnings shall remain in the Fund from year to year. (Added 2015, No. 64, § 37, eff. June 16, 2015; amended 2017, No. 208 (Adj. Sess.), § 4b, eff. May 30, 2018; 2019, No. 76, § 3a, eff. Oct. 1, 2019.)



# Vermont's goal is to maintain the Clean Water Budget at \$50 to \$60 Million (10 V.S.A. §1387):

“the State should commit to funding the Clean Water Initiative in a manner that ensures the maintenance of effort and that provides an annual appropriation for clean water programs in a range of \$50 million to \$60 million as adjusted for inflation.”

**Clean Water Budget by Funding Source and State Fiscal Year**



From Clean Water Board Final SFY26 Clean Water Budget Recommendations (Dec. 3, 2024)

The PTT is an integral revenue source for the Clean Water Fund



How much does the PTT Clean Water Surcharge add to the Clean Water Fund?

FY19	\$4.99 million
FY20	\$4.97
FY21	\$8.32
FY22	\$12.09
FY23	\$9.19
FY24	\$8.14
FY25	\$8.51 <i>Estimates based on July 2024 projections</i>
FY26	\$8.68
FY27	\$8.95

The PTT Clean Water Surcharge is an integral part of the Clean Water Fund revenue the proposed FY26 Clean Water Budget (July 2024 projections).

State Revenue (Clean Water Fund)

PTT	\$8,680,000 (31% of CWF)
Escheats	\$3,476,062 (12%)
M&R Tax	\$16,326,000 (57%)
State Revenue Total	\$28,482,062
Capital Funds	\$10,000,000
One Time Funds	\$7,528,050 (revenue above projection)
Total	\$46,010,112



## Second, H.481 makes changes to the Clean Water Fund’s Municipal Stormwater Implementation Grant Program to assist municipalities with residential three-acre compliance including funding.

1 discharge or stormwater runoff. ~~The grant program shall only be available in~~  
2 ~~basins where a clean water service provider has met its annual goals or is~~  
3 ~~making sufficient progress, as determined by the Secretary, towards those~~  
4 ~~goals.~~ Not more than 15 percent of the total grant amount awarded shall be  
5 used for administrative costs. This program shall be available to a  
6 municipality to comply with a permit for impervious surface of three acres or  
7 more for a residential subdivision when the municipality assumes full legal  
8 responsibility for the stormwater system of the residential subdivision under  
9 subsection 1264(c)(7) of this title.

*H.481, Sec. 6, pg. 8.*

14 Sec. 8. APPROPRIATION

15 Notwithstanding any other provision of law, the Clean Water Board shall  
16 direct \$5,000,000.00 from the Clean Water Fund in fiscal year 2027 to the  
17 Municipal Stormwater Implementation Program Section 928 of this title for  
18 costs of complying with permitting requirements under subdivision 1264(c)(7)  
19 of this title, including for residential subdivisions when the municipality  
20 assumes full legal responsibility for the stormwater system.

*H.481, Sec. 8, pg. 10.*



Third, the Study Committee on Creation of Regional Stormwater Utility District looks at a wider, multi-town approach to stormwater regulation compliance and funding.

4           Sec. 10. STUDY COMMITTEE ON CREATION OF REGIONAL  
5                           STORMWATER UTILITY DISTRICTS

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

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