



**STATE OF VERMONT**  
LEGISLATIVE JOINT FISCAL OFFICE

**MEMORANDUM**

To: Sen. Anne Watson  
From: James Duffy, Fiscal Analyst  
CC: Chris Rupe, Associate Fiscal Officer  
Date: February 7, 2025  
Subject: S.29, An act relating to establishing the Chloride Contamination Reduction Program at the Agency of Natural Resources

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As introduced, S.29 directs the Secretary of Natural Resources to establish a voluntary program to educate, train, and certify commercial and municipal salt applicators in the state. The program would be run by a competitively selected third-party vendor. In response to your request, the Joint Fiscal Office (JFO) prepared this memo outlining the preliminary fiscal and implementation considerations pertaining to this bill.

**Preliminary Assessment of Fiscal Impacts**

JFO identified the following direct fiscal impacts to the State:

- **Initial appropriation of \$250,000 for a third-party contractor**
  - The bill contains a \$250,000 appropriation from the General Fund in fiscal year 2026 to the Agency of Natural Resources (ANR) for a third-party contractor to administer the Chloride Contamination Reduction Program. This is expected to be a base cost that will recur in future years.
- **Agency staff hours dedicated to implementation**
  - The bill contains several directives to ANR that may require additional expenditures. The amount of these expenditures will depend on the amount of work completed by the third-party contractor. However, certain directives contained in the bill, such as rulemaking, enforcement, and contracting, will likely need to be performed by State employees. This would represent an additional cost beyond the \$250,000 appropriation.
  - More information from ANR is needed to estimate these costs.
- **Covering State-owned salt and sand storage facilities**
  - The bill requires that all uncovered State-owned salt and sand storage facilities be covered by 2035, representing an additional direct cost to the State.

- Cost estimates for this require additional information from the Agency of Transportation (AOT) regarding the number of uncovered State-owned storage facilities, but the Agency has noted that the vast majority of these facilities are currently covered.
- **Potential revenue from certification fees could cover or defray program costs**
  - The bill directs the Governor to recommend a fee for certification of commercial applicators, but proposes no specific fee schedule. Certification fees paid by commercial applicators could cover or defray program costs, depending on the cost of the fee and the number of participants.
  - New Hampshire's chloride reduction program is entirely funded by participant certification fees. In testimony before the Senate Committee on Natural Resources and Energy, staff from New Hampshire's chloride reduction program noted that their program fees support one part-time coordinator position but that implementation would benefit from one to two full-time positions.

### **Indirect Fiscal Impacts**

Since the program would not apply to State-employed salt applicators, the bulk of costs and savings would be experienced by municipal or private entities who choose to become certified or contract with a certified applicator. JFO cannot estimate the fiscal impact to municipalities or private actors, but offers the following considerations:

- If successfully implemented, a chloride contamination reduction program could eliminate existing chloride water quality impairments, reduce chloride pollution in non-impaired waters, and prevent future impairments. This could significantly reduce costs to the State, municipalities, private organizations, and individuals.
- The fiscal impact on municipal and private sector finances would depend on a number of highly variable factors, such as:
  - variation in winter conditions;
  - mileage of roads in a municipality;
  - the number of paved versus unpaved roads in a municipality; and
  - the extent to which certification alters purchasing and operational behavior.
- Savings may not be realized until years following program implementation, depending on the rate of program uptake and the speed of behavioral change.
- Municipal and private cost savings from reduced salt application would be partially offset by participant costs associated with the bill's compliance, reporting, and recordkeeping requirements.
- To the extent that municipal or privately-owned salt and sand storage facilities are not covered, the cost of covering them would represent an additional fiscal impact to the owners of those facilities.