



VLCT LEGISLATIVE ACTION ALERT

SERVING AND STRENGTHENING VERMONT LOCAL GOVERNMENTS

Date April 15, 2015
To Mayors, Municipal Managers and Administrators, Clerks, Treasurers, Public Works Directors, Selectboard Members
From Karen Horn, Director, Public Policy and Advocacy
Re H.35, State Water Quality Legislation, Voted Out of Senate Natural Resources

H.35, the Water Quality Bill, was voted out of the Senate Natural Resources and Energy Committee this morning as a strike-all amendment to the bill the House passed on April 2. Much of the House-passed bill is intact and would implement programs to clean up Lake Champlain and waters of the state in order to comply with eventual Environmental Protection Agency mandates through Total Maximum Daily Loads (TMDLs). The bill will go to both the Senate Finance and Appropriations Committees before being debated in the full Senate.

The bill just voted out of Senate Natural Resources would still expand and increase permit fees on municipalities in order to fund new positions at the Department of Environmental Conservation (DEC) to administer new and enhanced stormwater programs.

H.35 would assess a flat \$25 per parcel fee on every parcel not exempt from paying property taxes (non-profits, schools, state property, churches, and more) to be billed and collected as part of the property tax bill at the local level and remitted to the State Treasurer. You can find the language setting forth how town treasurers are supposed to bill and collect this fee on pages 116-118 of [the committee's version of the bill](#).

The fee would raise approximately \$8 million and capitalize a new Clean Water Fund, which would be used to (1) assist the state in complying with water quality requirements; (2) fund staff positions at the agencies of Natural Resources, Agriculture, Food and Markets, or Transportation; and (3) fund nonprofit organizations, regional associations, and other entities for implementing and administering community-based water quality programs or projects.

In FY16, \$952,000 would be appropriated from the Clean Water Fund to pay for seven new staff positions at the Agency of Agriculture, Food and Markets. An additional \$1,312,556 would be diverted from the fund to pay for 13 positions to implement water quality programs and contract with regional commissions. The Clean Water Fund Board would consist entirely of state agency secretaries and eliminate other members including municipal representatives, who were included as board members in the House-passed bill. In the first three years – aside from the \$2,264,556 diverted to pay for new agency staff positions in FY16 – the board would need to prioritize awards or assistance to municipalities for municipal compliance with water quality requirements. After that period, and particularly if deficits continue, we strongly suspect that a board composed entirely of state agency secretaries would decide to use the new Clean Water Fund for state-level administration and project costs. The per parcel fee would sunset on July 1, 2021.

- Urge your senators to oppose the expansion of permit fees and increases in permit fees assessed on municipalities to pay for new DEC stormwater staff. Urge them to direct DEC to

reprioritize existing staff to implement stormwater programs. Make clear that increased fees means increased property taxes.

- Urge your senators to retain the current requirement that DEC pay 100 percent of capital costs of phosphorus removal projects at wastewater treatment facilities. The current statute conditions that requirement on availability of funds, and both the requirement and caveat have worked well for decades. Removing that requirement will increase property taxes.
- Urge your senators to require the Vermont Department of Taxes, or a capable contracted entity such as the New England Municipal Resource Center , to bill and collect the per parcel fee.
- Make sure your senators understand the tremendous amount of work and money that will be required of municipalities to comply with stormwater permits on municipal roads and impervious surfaces.

Please contact your senators immediately by email (their addresses can be found at <http://legislature.vermont.gov/people/search/2016>) or by calling the Sergeant at Arms (802-828-2228) and leaving a message.