

1 H.171

2 Introduced by Representative Till of Jericho

3 Referred to Committee on

4 Date:

5 Subject: Conservation and development; agriculture; taxation; water quality;
6 fertilizer; impervious surface fee

7 Statement of purpose of bill as introduced: This bill proposes to establish an
8 impervious surface fee on all parcels in the State. The bill would repeal the
9 sunset of the Clean Water Surcharge on the Property Transfer Tax. The bill
10 also would establish a Water Quality Occupancy Surcharge on the rent of each
11 occupancy in the State. The bill would impose on milk handlers a fee per
12 pound of fluid milk purchased from a milk producer for the purpose of
13 bottling, manufacturing, processing, distribution, or sale of dairy products in
14 the State. The bill would require a manufacturer of asphalt to pay an
15 assessment per ton of asphalt sold in the State each year. The revenue from the
16 impervious surface fee, the Water Quality Occupancy Surcharge, and the
17 asphalt assessment would be deposited in the Clean Water Fund. The revenue
18 from the milk handling fee would be deposited in the General Fund.

19 An act relating to water quality funding

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

2 * * * Impervious Surface Fee * * *

3 Sec. 1. 32 V.S.A. chapter 247 is added to read:

4 CHAPTER 247. IMPERVIOUS SURFACE FEE

5 § 10551. DEFINITIONS

6 As used in this chapter:

7 (1) “Commissioner” means the Commissioner of Taxes.

8 (2) “Department” means the Department of Taxes.

9 (3) “Impervious surface” means those manmade surfaces, including
10 paved and unpaved roads, parking areas, roofs, driveways, and walkways, from
11 which precipitation runs off rather than infiltrates.

12 (4) “Parcel” means all contiguous land in the same ownership, together
13 with all improvements therein and shall include a parcel exempt from taxation
14 under section 3802 of this title, unless specifically exempted under this
15 chapter.

16 § 10552. IMPERVIOUS SURFACE MAPS

17 (a) On or before January 1, 2020, the Vermont Center for Geographic
18 Information Services shall provide to the Department and each municipality in
19 the State a map of the percentage of impervious surface on each parcel within
20 the municipality. A map provided to a municipality shall include the
21 percentage of impervious surface on each parcel.

1 (b) The Vermont Center for Geographic Information Services shall update
2 a map of the percentage of impervious surface within a municipality upon
3 notification from a municipality of:

4 (1) newly constructed or expanded impervious surface on a parcel
5 within the municipality;

6 (2) the need for a correction to a map due to error or municipal review
7 of a parcel.

8 § 10553. ASSESSMENT; LIABILITY; COLLECTION

9 (a) Establishment of impervious surface fee. Beginning July 1, 2020, each
10 municipality in the State shall assess an impervious surface fee on every parcel
11 in the municipality.

12 (b) Exemption. The following parcels are exempts from the fee established
13 under subsection (a):

14 (1) a parcel owned or controlled by the federal government;

15 (2) a parcel owned or controlled by the State of Vermont;

16 (3) a parcel owned or controlled by a municipality; and

17 (4) a parcel within the limits of a railroad track right-of-way, provided
18 that a parcel where a railroad station, maintenance building, or other developed
19 property used for railroad purposes is located shall not be exempt.

20 (c) Amount of impervious surface fee. The municipality shall collect from
21 the owner of a parcel an impervious surface fee in the following amounts:

1 (1) \$10.00 per year for a parcel with less than 2,000 square feet of
2 impervious surface;

3 (2) \$20.00 per year for a parcel with 2,000 or more square feet but less
4 than 4,000 square feet of impervious surface;

5 (3) \$30.00 per year for a parcel with 4,000 or more square feet but less
6 than 10,000 square feet of impervious surface; and

7 (4) \$100.00 per year for a parcel with more than 10,000 square feet of
8 impervious surface.

9 (d) Collection.

10 (1) The impervious surface fee established under this section shall be
11 assessed and collected by a municipality as part of the tax bill issued under
12 subsection 5402(b) of this title, provided that the impervious surface fee shall
13 be listed separately from the tax collected.

14 (2) The treasurer of each municipality shall remit the impervious surface
15 in two payments due on December 1 and June 1 of each year.

16 (3) The owner of a parcel may seek and a municipality may grant
17 abatement under 24 V.S.A. § 1535 of the impervious surface fee assessed
18 under this section.

19 (e) Administration; deposit.

20 (1) Unless otherwise provided under this chapter, the Commissioner
21 shall administer and enforce the collection of the impervious surface fee in the

1 same manner as it administers and enforces the collection of the tax under
2 chapter 133 of this title.

3 (2) The Commissioner may, under chapter 151, subchapter 12 of this
4 title, offset any delinquent impervious surface assessment against any refund
5 owed the delinquent taxpayer, including, notwithstanding the monetary limit of
6 subsection 5933(a) of this title, an amount of less than \$50.00.

7 (3) The Commissioner shall deposit all impervious surface fees
8 collected under this chapter in the Clean Water Fund established under 10
9 V.S.A. § 1389 to be used for the purposes of that Fund.

10 * * * Repeal of Sunset of Clean Water Surcharge * * *

11 Sec. 2. 2017 Acts and Resolves No. 85, Sec. I.11 of is amended to read:

12 Sec. I.11 REPEAL

13 (a) The following shall be repealed on July 1, 2039:

14 (1) 10 V.S.A. § 314 (Vermont Housing and Conservation Board;
15 affordable housing bond and investments).

16 (2) 10 V.S.A. § 621(22) (Vermont Housing Finance Agency (VHFA)
17 authority to issue debt obligations secured by property transfer tax).

18 (3) 10 V.S.A. § 631(1) (debt obligations issued by VHFA).

19 (4) 32 V.S.A. § 9610(d) (property transfer tax priority for affordable
20 housing debt repayment).

21 (5) ~~32 V.S.A. § 9602a (clean water surcharge).~~ [Repealed.]

1 Sec. 3. REPEAL OF SUNSET OF CLEAN WATER SURCHARGE

2 2017 Acts and Resolves No. 85, Sec. I.10 is repealed.

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

4 Sec. I.12 EFFECTIVE DATES

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

8 * * * Water Quality; Occupancy Surcharge * * *

9 Sec. 5. 32 V.S.A. § 9241a is added to read:

10 § 9241a. WATER QUALITY OCCUPANCY SURCHARGE

11 (a) In addition to the tax on the rent of each occupancy imposed in section
12 9241 of this title, an operator shall collect a water quality occupancy surcharge
13 of \$1.00 for each night of occupancy.

14 (b) The revenues generated by the water quality occupancy surcharge
15 imposed in subsection (a) of this section shall be deposited in the Clean Water
16 Fund under 10 V.S.A. § 1389 for use for the purposes of that Fund.

17 (c) The provisions of this chapter relating to the imposition, collection,
18 remission, and enforcement of the meals and rooms tax imposed in section
19 9241 of this title shall apply to the water quality occupancy surcharge imposed
20 in this section.

1 Sec. 6. IMPLEMENTATION OF COLLECTION OF WATER QUALITY
2 OCCUPANCY SURCHARGE

3 The Department of Taxes shall initiate collection of the Water Quality
4 Occupancy Surcharge required under 32 V.S.A. § 9241a on January 1, 2020.

5 * * * Milk Handling Fee * * *

6 Sec. 7. 6 V.S.A. § 2721a is added to read:

7 § 2721a. MILK HANDLING FEE

8 (a) In addition to the requirements of section 2721 of this title or any other
9 tax or fee imposed by statute, a milk handler, in order to transact business in
10 the State, shall pay to the Secretary of Agriculture, Food and Markets a
11 handling fee of \$0.001 per pound of fluid milk purchased from a milk producer
12 for the purpose of bottling, manufacturing, processing, distribution, or sale of
13 dairy products in the State.

14 (b) A milk handler shall not deduct a milk handling fee assessed under
15 subsection (a) of this section from payment to the milk producer for milk. The
16 Secretary shall assess an administrative penalty of \$5,000.00 on a milk handler
17 for each separate instance the Secretary determines that one or both of the
18 following occurred:

19 (1) the milk handler deducted the milk handling fee assessed under
20 subsection (a) from a payment to a milk producer; or

1 (2) the milk handler otherwise charged or assessed a milk producer for
2 the cost of the milk handling fee, including by increasing the hauling charge to
3 recoup the milk handling fee from the milk producer.

4 (c) The Secretary of Agriculture, Food and Markets shall deposit milk
5 handling fees collected under this section into the General Fund for the uses of
6 that Fund. Revenue from milk handling fees may not be dedicated to a
7 particular purpose and may be used for all purposes of State government.

8 Sec. 8. 6 V.S.A. § 2721 is amended to read:

9 § 2721. HANDLERS' LICENSES

10 (a) The Secretary may classify and issue licenses to milk handlers to carry
11 on dairy product handling businesses, including the purchase, distribution, or
12 sale of milk or ~~milk~~ dairy products; processing or manufacturing of milk or
13 ~~milk~~ dairy products, including the pasteurization of frozen dessert mixes;
14 ~~transport of;~~ transporting milk and ~~milk~~ dairy products; bargaining and
15 collecting for the sale of milk and ~~milk~~ dairy products; and dealing in or
16 brokering milk or ~~milk~~ dairy products.

17 (b) A milk handler shall not transact business in the State unless the milk
18 handler secures and holds a handler's license from the Secretary. The license
19 shall terminate September 1 each year and shall be procured by August 15 of
20 each year. The Secretary shall furnish all forms for applications, licenses, and
21 bonds. At the time the application is delivered to the Secretary, the milk

1 handler shall pay a license application fee of \$50.00 for an initial application,
2 the milk handling fee assessed under section 2721a of this title, and a license
3 fee based on the following table. For a renewal application, ~~only the milk~~
4 handler shall pay the milk handling fee and the fee in the following table
5 applies. Out-of-state firms, for the purposes of calculating the license fee
6 under the following table, shall use the company's highest total pounds of milk
7 or dairy products bought, sold, packaged, assembled, transported, or processed
8 per production day.

9 Pounds of milk or dairy	License handling fee
10 products bought, sold, packaged,	
11 assembled, transported, or	
12 processed per production day:	
13 500 pounds or less	\$ 60.00
14 Over 500 but less than 10,000 pounds	\$ 200.00
15 10,000 to 50,000 pounds	\$ 350.00
16 Over 50,000 but less than 100,000 pounds	\$ 750.00
17 100,000 to 500,000 pounds	\$1,000.00
18 Over 500,000 pounds	\$1,500.00
19 Processor fee per pasteurizer	\$ 75.00

20 (c) Notwithstanding subsection (b) of this section, the license handling fees
21 ~~only~~ assessed under subsection (b) of this section solely for the transportation

1 of bulk milk shall be capped at \$750.00 per year. The milk handling fee
2 assessed under section 2721a of this title shall not be capped solely for the
3 transportation of bulk milk.

4 * * * Asphalt Assessment * * *

5 Sec. 9. 32 V.S.A. chapter 216 is added to read:

6 CHAPTER 216. ASPHALT ASSESSMENT

7 § 8751. ASPHALT ASSESSMENT

8 (a) Definitions. As used in this chapter:

9 (1) "Asphalt" means a dark-brown to black cementitious material that
10 is solid, semisolid, or liquid in consistency and in which the main constituents
11 are bitumens that occur naturally or are obtained as a residue of petroleum
12 refining.

13 (2) "Commissioner" means the Commissioner of Taxes.

14 (3) "Department" means the Department of Taxes.

15 (4) "Manufacturer" means a person who:

16 (A) manufactures or manufactured asphalt for sale in the State;

17 (B) distributes in the State asphalt manufactured by another person;

18 or

19 (C) imports into the United States for sale in the State asphalt
20 manufactured by a person without a presence in the United States.

1 (b) Imposition of assessment. A manufacturer who sells asphalt in the
2 State to a State agency, municipality, or private entity shall pay an assessment
3 of \$1.00 per ton to the Department.

4 (c) Payment.

5 (1) Each manufacturer shall submit to the Department a monthly report
6 showing the total tonnage of asphalt sold in or sold into the State by the
7 manufacturer in the prior month.

8 (2) A manufacturer shall pay the assessment on each ton of asphalt sold
9 in or sold into the State each month to the Department at the same time the
10 report required under subdivision (c)(1) of this section is submitted.

11 (d) Deposit; Fund. The assessment collected under this chapter shall be
12 deposited into the Clean Water Fund established under 10 V.S.A. § 1388 and
13 shall be used for the purposes of that Fund.

14 (e) Records. Each manufacturer shall keep a record of the tonnage of
15 asphalt sold in or sold into the State each year and shall retain those records for
16 at least five years. Records of the tonnage of asphalt sold in the State shall be
17 available at all times for inspection by the Commissioner.

18 (f) Enforcement. The requirements of this section shall be enforced using
19 the enforcement and collection provisions set forth in chapter 103 of this title.

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* * * Effective Date * * *

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Sec. 10. EFFECTIVE DATE

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This act shall take effect on July 1, 2019.