

No. 121. An act relating to the regulation of wetlands, river corridor development, and dam safety.

(S.213)

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

* * * Short Title * * *

Sec. 1. SHORT TITLE

This act may be cited as the “Flood Safety Act.”

* * * Development in River Corridors * * *

Sec. 2. FINDINGS

The General Assembly finds that for purposes of Secs. 3–11 of this act:

(1) According to the 2023 National Climate Assessment, the northeastern region of the United States has experienced a 60 percent increase in more extreme precipitation events since 1958, particularly in inland flooding of valleys, where persons, infrastructure, and agriculture tend to be concentrated.

(2) The 2021 Vermont Climate Assessment highlights that Vermont has seen:

(A) a 21 percent increase in average annual precipitation since 1990;
and

(B) 2.4 additional days of heavy precipitation since the 1960s.

(3) According to the National Oceanic and Atmospheric Administration’s National Centers for Environmental Information, average annual damages from flooding and flood-related disasters between 1980 and

2023 exceeds 30 million, conservatively.

(4) According to the Department of Environmental Conservation, 70 to 80 percent of all flood-related damages occur within Vermont's river corridors.

(5) According to the Department of Environmental Conservation, only 10 percent of Vermont municipalities, cities, or incorporated villages have adopted full river corridor protections through the Department's model bylaws.

(6) Promoting existing compact settlements, located along Vermont waterways, will require improved flood resilience efforts, as described in the initial Vermont Climate Action Plan of 2021, such as managing flood and fluvial erosion hazards to protect Vermont's compact settlements, which will be a critical component of a successful climate adaptation response.

(7) The State, as recommended in the initial Vermont Climate Action Plan of 2021, should adopt legislation that would authorize the Agency of Natural Resources to revise the Vermont Flood Hazard Area and River Corridor rule to provide the Agency with delegable, statewide jurisdiction and permitting authority for new development taking place in mapped river corridors.

Sec. 3. DEPARTMENT OF ENVIRONMENTAL CONSERVATION;
RIVER CORRIDOR BASE MAP; INFILL MAPPING;
EDUCATION AND OUTREACH

(a) On or before January 1, 2026, the Department of Environmental Conservation, in consultation with the Agency of Commerce and Community

Development and the regional planning commissions, shall amend by procedure the statewide River Corridor Base Map to identify areas suitable for development that are located within existing settlements and that will not cause or contribute to increases in fluvial erosion hazards.

(b) Beginning on January 1, 2025 and ending on January 1, 2027, the Department of Environmental Conservation shall conduct an education and outreach program to consult with and collect input from municipalities, environmental justice focus populations, the Environmental Justice Advisory Council, businesses, property owners, farmers, and other members of the public regarding how State permitting of development in mapped river corridors will be implemented, including potential restrictions on the use of land within mapped river corridors. The Department shall develop educational materials for the public as part of its charge under this section. The Department shall collect input from the public regarding the permitting of development in mapped river corridors as proposed by this act. On or before January 15, 2027 and until permitting of development in mapped river corridors begins under 10 V.S.A. § 754, the Department shall submit to the Senate Committee on Natural Resources and Energy, the House Committee on Environment and Energy, and the Environmental Justice Advisory Council a report that shall include:

(1) a summary of the public input it received regarding State permitting of development in mapped river corridors during the public education and

outreach required under this section;

(2) recommendations, based on the public input collected, for changes to the requirements for State permitting of development in mapped river corridors;

(3) an analysis and summary of State permitting of development in mapped river corridors on environmental justice populations; and

(4) a summary of the Department’s progress in adopting the rules required under 10 V.S.A. § 754 for the regulation of development in mapped river corridors.

Sec. 4. 10 V.S.A. § 752 is amended to read:

§ 752. DEFINITIONS

~~For the purpose of~~ As used in this chapter:

* * *

(2) “Development,” for the purposes of flood hazard area management and regulation, ~~shall have~~ has the same meaning as “development” under 44 C.F.R. § 59.1.

(3) “Flood hazard area” ~~shall have~~ has the same meaning as “area of special flood hazard” under 44 C.F.R. § 59.1.

* * *

(8) “~~Uses~~ Development exempt from municipal regulation” means ~~land use or activities that are~~ development that is exempt from municipal land use regulation under 24 V.S.A. chapter 117.

* * *

(13) “Existing settlement” has the same meaning as in section 6001 of this title.

(14) “Mapped river corridor” means a river corridor drawn and adopted by the Secretary of Natural Resources as part of the statewide River Corridor Base Map Layer in accordance with the Flood Hazard Area and River Corridor Protection Procedure for rivers and streams with a watershed area greater than two square miles.

Sec. 5. 10 V.S.A. § 754 is amended to read:

§ 754. ~~FLOOD HAZARD AREA RULES ; USES EXEMPT FROM MUNICIPAL REGULATION~~ MAPPED RIVER CORRIDOR RULES

(a) Rulemaking authority.

(1) ~~On or before November 1, 2014, the Secretary shall adopt rules pursuant to 3 V.S.A. chapter 25 that establish requirements for the issuance and enforcement of permits applicable to:~~

~~(i) uses exempt from municipal regulation that are located within a flood hazard area or river corridor of a municipality that has adopted a flood hazard bylaw or ordinance under 24 V.S.A. chapter 117; and~~

~~(ii) State-owned and-operated institutions and facilities that are located within a flood hazard area or river corridor~~ On or before July 1, 2027, the Secretary shall adopt rules pursuant to 3 V.S.A. chapter 25 that establish

requirements for issuing and enforcing permits for:

(A) all development within a mapped river corridor in the State; and

(B) for development exempt from municipal regulation in flood

hazard areas.

* * *

(b) Required rulemaking content. The rules shall:

(1) set forth the requirements necessary to ensure ~~uses~~ that development exempt from municipal regulation ~~are~~ in flood hazard areas is regulated by the State in order to comply with the regulatory obligations set forth under the National Flood Insurance Program;

(2) be designed to ensure that the State and municipalities meet community eligibility requirements for the National Flood Insurance Program;

(3) establish requirements for the permitting of development within the mapped river corridors of the State;

(4) provide certain regulatory exemptions for minor development activities in a mapped river corridor when the development activities have no adverse environmental effects;

(5) establish the requirements and process for a municipality to be delegated the State's permitting authority for development in a mapped river corridor when the development is not exempt from municipal regulation and when the municipality has adopted an ordinance or bylaw under 24 V.S.A. chapter 117 that has been approved by the Secretary and that meets or exceeds

the requirements established under State rule;

(6) set forth a process for amending the statewide River Corridor Base Map; and

~~(e)(7) Discretionary rulemaking.~~ The rules required under this section may establish requirements that exceed the requirements of the National Flood Insurance Program for ~~uses~~ development exempt from municipal regulation in flood hazard areas, including requirements for the maintenance of existing native riparian vegetation, provided that any rules adopted under this subsection that exceed the minimum requirements of the National Flood Insurance Program shall be designed to prevent or limit a risk of harm to life, property, or infrastructure from flooding.

~~(d)(c)~~ General permit. The rules authorized by this section may establish requirements for a general permit to implement the requirements of this section, including authorization under the general permit to conduct a specified use exempt from municipal regulation without notifying or reporting to the Secretary or an agency delegated under subsection ~~(g)(f)~~ of this section. A general permit implementing the requirements of this section shall not be required to be issued by rule.

~~(e)(d)~~ Consultation with interested parties. Prior to submitting the rules required by this section to the Secretary of State under 3 V.S.A. § 838, the Secretary shall solicit the recommendations of and consult with affected and interested persons and entities such as: the Secretary of Commerce and

Community Development; the Secretary of Agriculture, Food and Markets; the Secretary of Transportation; the Commissioner of Financial Regulation; representatives of river protection interests; representatives of fishing and recreational interests; representatives of the banking industry; representatives of the agricultural community; representatives of the forest products industry; the regional planning commissions; municipal interests; and representatives of municipal associations.

~~(f)~~(e) Permit requirement. A Beginning on January 1, 2028, a person shall not commence or conduct a use development exempt from municipal regulation in a flood hazard area or commence or conduct any development in a mapped river corridor in a municipality that has adopted a flood hazard area bylaw or ordinance under 24 V.S.A. chapter 117 or commence construction of a State-owned and operated institution or facility located within a flood hazard area or river corridor, without a permit issued under the rules required under subsection (a) of this section by the Secretary or by a State agency delegated permitting authority under subsection ~~(g)~~(f) of this section. When an application is filed under this section, the Secretary or delegated State agency shall proceed in accordance with chapter 170 of this title.

~~(g)~~(f) Delegation.

(1) The Secretary may delegate to another State agency the authority to implement the rules adopted under this section, to issue a permit under subsection ~~(f)~~(e) of this section, and to enforce the rules and a permit.

(2) A memorandum of understanding shall be entered into between the Secretary and a delegated State agency for the purpose of specifying implementation of requirements of this section and the rules adopted under this section, issuance of a permit or coverage under a general permit under this section, and enforcement of the rules and permit required by this section.

(3) Prior to entering a memorandum of understanding, the Secretary shall post the proposed memorandum of understanding on its website for 30 days for notice and comment. When the memorandum of understanding is posted, it shall include a summary of the proposed memorandum; the name, telephone number, and address of a person able to answer questions and receive comments on the proposal; and the deadline for receiving comments. A final copy of a memorandum of understanding entered into under this section shall be sent to the chairs of the House ~~Committees on Energy and Technology and on Natural Resources, Fish, and Wildlife~~ Committee on Environment and Energy, the Senate Committee on Natural Resources and Energy, and any other committee that has jurisdiction over an agency that is a party to the memorandum of understanding.

~~(h)~~(g) Municipal authority. This section and the rules adopted under it shall not prevent a municipality from adopting substantive requirements for development in a flood hazard area bylaw or ordinance under 24 V.S.A. chapter 117 that are more stringent than the rules required by this section, provided that the bylaw or ordinance shall not apply to uses exempt from

municipal regulation.

Sec. 6. 10 V.S.A. § 755 is amended to read:

§ 755. STATE FLOOD HAZARD AREA STANDARDS; MUNICIPAL
EDUCATION; MODEL FLOOD HAZARD AREA
BYLAW OR ORDINANCE

(a) State flood hazard area standards.

(1) On or before January 1, 2026, the Secretary shall adopt rules pursuant to 3 V.S.A. chapter 25 that establish a set of flood hazard area standards for enrollment in the National Flood Insurance Program (NFIP).

(2) The rules shall contain flood hazard area standards that meet or exceed the minimum standards of the NFIP by reducing flood risk to new development and ensuring new development does not create adverse impacts to adjacent preexisting development.

(3) Any municipality with a municipal flood hazard area bylaw or ordinance shall update their bylaw or ordinance to incorporate the State Flood Hazard Area Standards. Nothing in this section shall prohibit a municipality from adopting a more protective flood hazard standard with language and standards approved by the Agency.

(4) On or after January 1, 2028, the State Flood Hazard Areas adopted under subdivision (1) of this subsection shall be the State minimum flood hazard areas standards.

(b) Education and assistance. The Secretary, in consultation with regional

planning commissions, shall provide ongoing education, technical assistance, and guidance to municipalities regarding the requirements under 24 V.S.A. chapter 117 necessary for compliance with the ~~National Flood Insurance Program~~ NFIP, including implementation of the State Flood Hazard Area Standards adopted under subsection (a) of this section.

~~(b)~~(c) Model flood hazard area bylaw or ordinance. The Secretary shall create and make available to municipalities a model flood hazard area bylaw or ordinance for potential adoption by municipalities pursuant to 24 V.S.A. chapter 117 or 24 V.S.A. § 2291. The model bylaw or ordinance shall set forth the minimum provisions necessary to meet the requirements of the ~~National Flood Insurance Program~~ NFIP, including implementation of the State Flood Hazard Area Standards adopted under subsection (a) of this section. The model bylaw may include alternatives that exceed the minimum requirements for compliance with the ~~National Flood Insurance Program~~ NFIP and State Flood Hazard Area Standards in order to allow a municipality to elect whether it wants to adopt the minimum requirement or an alternate requirement that further minimizes the risk of harm to life, property, and infrastructure from flooding.

~~(e)~~(d) Assistance to municipalities with no flood hazard area bylaw or ordinance. The Secretary, in consultation with municipalities, municipal organizations, and regional planning commissions, shall provide education and technical assistance to municipalities that lack a flood hazard area bylaw or

ordinance in order to encourage adoption of a flood hazard area bylaw or ordinance that qualifies the municipality for the ~~National Flood Insurance Program~~ NFIP.

Sec. 6a. 24 V.S.A. § 2291(25) is amended to read:

(25) To regulate by means of an ordinance or bylaw development in a flood hazard area, ~~river corridor protection area~~, or other hazard area consistent with the requirements of section 4424 of this title and the National Flood Insurance Program. Such an ordinance or bylaw may regulate accessory dwelling units in flood hazard ~~and fluvial erosion~~ areas. However, such an ordinance or bylaw shall not require the filing of an application or the issuance of a permit or other approval by the municipality for a planting project considered to have a permit by operation of subsection 4424(c) of this title.

Sec. 7. 24 V.S.A. § 4302(c)(14) is amended to read:

(14) To encourage flood resilient communities.

(A) New development in identified flood hazard, fluvial erosion, and river corridor protection areas should be avoided. If new development is to be built in such areas, it should not exacerbate flooding and fluvial erosion and should meet or exceed the statewide minimum flood hazard area standards established by rule by the Agency of Natural Resources.

* * *

Sec. 8. 24 V.S.A. § 4382(a)(12) is amended to read:

(12)(A) A flood resilience plan that:

(i) identifies flood hazard and fluvial erosion hazard areas, based on river corridor maps provided by the Secretary of Natural Resources pursuant to 10 V.S.A. § 1428(a) or maps recommended by the Secretary, and designates those areas to be protected, including floodplains, river corridors, land adjacent to streams, wetlands, and upland forests, to reduce the risk of flood damage to infrastructure and improved property; and

(ii) recommends policies and strategies to protect the areas identified and designated under subdivision (12)(A)(i) of this subsection and to mitigate risks to public safety, critical infrastructure, historic structures, and municipal investments. These strategies shall include adoption and implementation of the State Flood Hazard Area Standards.

(B) A flood resilience plan may reference an existing local hazard mitigation plan approved under 44 C.F.R. § 201.6.

Sec. 8a. 24 V.S.A. § 4413(a)(2) is amended to read:

(2) Except for State-owned and -operated institutions and facilities, a municipality may regulate each of the land uses listed in subdivision (1) of this subsection for compliance with the National Flood Insurance Program and for compliance with a municipal ordinance or bylaw regulating development in a flood hazard area ~~or river corridor~~, consistent with the requirements of subdivision 2291(25) and section 4424 of this title. These regulations shall not have the effect of interfering with the intended functional use.

Sec. 8b. 24 V.S.A. § 4414(1)(G) is amended to read:

(G) ~~River corridors and buffers~~ Buffers. In accordance with section 4424 of this title, a municipality may adopt bylaws to protect ~~river corridors and~~ buffers, as ~~those terms are~~ that term is defined in 10 V.S.A. §§ 1422 ~~and 1427~~, in order to protect public safety; prevent and control water pollution; prevent and control stormwater runoff; preserve and protect wetlands and waterways; maintain and protect natural channel, streambank, and floodplain stability; minimize ~~fluvial erosion and~~ damage to property and transportation infrastructure; preserve and protect the habitat of terrestrial and aquatic wildlife; promote open space and aesthetics; and achieve other municipal, regional, or State conservation and development objectives for ~~river corridors and buffers~~. ~~River corridor and buffer~~ Buffer bylaws may regulate the design and location of development; control the location of buildings; require the provision and maintenance or reestablishment of vegetation, including no net loss of vegetation; require screening of development or use from waters; reserve existing public access to public waters; and impose other requirements authorized by this chapter.

Sec. 9. 24 V.S.A. § 4424 is amended to read:

§ 4424. SHORELANDS; ~~RIVER CORRIDOR PROTECTION AREAS;~~
FLOOD OR HAZARD AREA; SPECIAL OR FREESTANDING
BYLAWS

(a) Bylaws; flood and other hazard areas; ~~river corridor protection~~. Any

municipality may adopt freestanding bylaws under this chapter to address particular hazard areas in conformance with the municipal plan, the State Flood Hazard Area Standards or, for the purpose of adoption of a flood hazard area bylaw, a local hazard mitigation plan approved under 44 C.F.R. § 201.6. Such freestanding bylaws may include the following, which may also be part of zoning or unified development bylaws:

(1) Bylaws to regulate development and use along shorelands.

(2) Bylaws to regulate development and use in ~~flood areas, river corridor protection areas,~~ flood hazard areas or other hazard areas. The following shall apply if flood hazard or other hazard area bylaws are enacted:

(A) Purposes.

(i) To minimize and prevent the loss of life and property, the disruption of commerce, the impairment of the tax base, and the extraordinary public expenditures and demands on public service that result from flooding, landslides, erosion hazards, earthquakes, and other natural or human-made hazards.

(ii) To ensure that the design and construction of development in flood, ~~river corridor protection,~~ hazard and other hazard areas are accomplished in a manner that minimizes or eliminates the potential for flood and loss or damage to life and property and ensures new development will not adversely affect existing development in a flood hazard area ~~or that minimizes the potential for fluvial erosion and loss or damage to life and property in a~~

~~river corridor protection area.~~

(iii) To manage all flood hazard areas designated pursuant to 10 V.S.A. § 753.

(iv) To make the State and municipalities eligible for federal flood insurance and other federal disaster recovery and hazard mitigation funds as may be available.

(B) Contents of bylaws. Except as provided in subsection (c) of this section, flood, ~~river corridor protection area~~, hazard and other hazard area bylaws ~~may~~ shall:

(i) ~~Contain standards and criteria that prohibit the placement of damaging obstructions or structures, the use and storage of hazardous or radioactive materials, and practices that are known to further exacerbate hazardous or unstable natural conditions~~ Require compliance with the State Flood Hazard Area Standards established by rule pursuant to 10 V.S.A. § 755(c) and meet all additional requirements under the National Flood Insurance Program as set forth in 44 C.F.R. § 60.3.

(ii) ~~Require flood, fluvial erosion, and hazard protection through elevation, floodproofing, disaster preparedness, hazard mitigation, relocation, or other techniques.~~

(iii) ~~Require adequate provisions for flood drainage and other emergency measures.~~

(iv) ~~Require provision of adequate and disaster-resistant water and~~

~~wastewater facilities.~~

~~(v) Establish other restrictions to promote the sound management and use of designated flood, river corridor protection, and other hazard areas.~~

~~(vi) Regulate~~ Regulate all land development in a flood hazard area, ~~river corridor protection area,~~ or other hazard area, except for development that is regulated under 10 V.S.A. § 754.

(C) Effect on zoning bylaws. Flood hazard or other hazard area bylaws may alter the uses otherwise permitted, prohibited, or conditional in a flood hazard area or other hazard area under a bylaw, as well as the applicability of other provisions of that bylaw. Where a flood hazard bylaw, a hazard area bylaw, or both apply along with any other bylaw, compliance with the flood or other hazard area bylaw shall be prerequisite to the granting of a zoning permit. Where a flood hazard area bylaw or a hazard area bylaw but not a zoning bylaw applies, the flood hazard and other hazard area bylaw shall be administered in the same manner as are zoning bylaws, and a flood hazard area or hazard area permit shall be required for land development covered under the bylaw.

(D) Mandatory provisions.

(i) Except as provided in subsection (c) of this section, all flood hazard and other hazard area bylaws shall provide that no permit for new construction or substantial improvement shall be granted for a flood hazard or other hazard area until after both the following:

(I) ~~A~~ a copy of the application is mailed or delivered by the administrative officer or by the appropriate municipal panel to the Agency of Natural Resources or its designee, which may be done electronically, provided the sender has proof of receipt; and

(II) ~~Either~~ either 30 days have elapsed following the mailing or the Agency or its designee delivers comments on the application.

(ii) The Agency of Natural Resources may delegate to a qualified representative of a municipality with a flood hazard area bylaw or ordinance or to a qualified representative for a regional planning commission the Agency's authority under this subdivision (a)(2)(D) to review and provide technical comments on a proposed permit for new construction or substantial improvement in a flood hazard area. Comments provided by a representative delegated under this subdivision (a)(2)(D) shall not be binding on a municipality.

(b) Ordinances. A municipality may adopt a flood hazard area, ~~river corridor protection area~~, or other hazard area regulation that meets the requirements of this section by ordinance under subdivision 2291(25) of this title.

* * *

Sec. 10. STUDY COMMITTEE ON STATE ADMINISTRATION OF THE
NATIONAL FLOOD INSURANCE PROGRAM

(a) Creation. There is created the Study Committee on State

Administration of the National Flood Insurance Program to review and recommend how to reduce vulnerability to inundation flooding, including how and to what scale to shift responsibility for the administration and enforcement of the National Flood Insurance Program from individual municipalities to the State Department of Environmental Conservation.

(b) Membership. The Study Committee on State Administration of the National Flood Insurance Program shall be composed of the following members:

(1) two members of the Department of Environmental Conservation Rivers Program, appointed by the Governor;

(2) two members of Vermont's Regional Planning Commissions, appointed by the Vermont Association of Planning and Development Agencies; and

(3) two members to represent Vermont municipalities, one member from a municipality with a population of 5,000 or more persons, appointed by the Committee on Committees, and one member from a municipality with a population of fewer than 5,000 persons, appointed by the Speaker of the House.

(c) Powers and duties. The Study Committee on State Administration of the National Flood Insurance Program shall:

(1) summarize the existing responsibilities of individual municipalities that are enrolled in the National Flood Insurance Program;

(2) assess the ability of individual municipalities enrolled in the National Flood Insurance Program to comply with the program's minimum standards, identifying the specific barriers to enrollment and compliance;

(3) assess the feasibility of the Department of Environmental Conservation Rivers Program to take on the administrative burden of the National Flood Insurance Program, including an assessment of the various scales with which this could occur;

(4) estimate the staffing needs to effectively administer the National Flood Insurance Program for Vermont's municipalities;

(5) recommend how to phase in a proposed state-administered National Flood Insurance Program; and

(6) propose to the General Assembly funding sources to support all potential administrative costs for a proposed state-administered National Flood Insurance Program, including the permanent full-time classified staff positions in the Department of Environmental Conservation's Rivers Program needed to establish a flood hazard area permitting program and a permitting fee for applications to the Department of Environmental Conservation's Rivers Program and other potential funding sources.

(d) Assistance. For purposes of scheduling meetings, administrative support, legal assistance, and fiscal assistance, the Study Committee shall have the assistance of the Agency of Natural Resources.

(e) Report. On or before August 15, 2025, the Study Committee shall

submit a written report to the General Assembly with its findings and any recommendations for legislative action. Any recommendation for legislative action shall be as draft legislation.

(f) Meetings.

(1) The Secretary of Natural Resources or designee shall call the first meeting of the Study Committee.

(2) The Committee shall select a chair from among its members at the first meeting.

(3) A majority of the membership of the Study Committee shall constitute a quorum.

(4) The Study Committee shall cease to exist on December 31, 2025.

(g) Compensation and reimbursement. Members of the Study Committee shall be entitled to per diem compensation and reimbursement of expenses as permitted under 32 V.S.A. § 1010 for not more than eight meetings. These payments shall be made from monies appropriated to the General Assembly.

Sec. 11. TRANSITION; IMPLEMENTATION; APPROPRIATIONS;

POSITIONS

(a) The Secretary of Natural Resources shall initiate rulemaking, including pre-rulemaking, for the rules required in Sec. 5 of this act, 10 V.S.A. § 754 (river corridor development), not later than July 1, 2025. The rules shall be adopted on or before July 1, 2027.

(b) Prior to the effective date of the rules required in Sec. 5 of this act,

10 V.S.A. § 754 (river corridor development), the Secretary of Natural Resources shall continue to implement the Vermont Flood Hazard Area and River Corridor Rule as that rule existed on July 1, 2024 for development exempt from municipal regulation in flood hazard areas and relevant river corridors.

(c) The Secretary of Natural Resources shall not require a permit under the rules required by 10 V.S.A. § 754 for development in a flood hazard area or mapped river corridor for development that has the same meaning as “development” under 44 C.F.R. § 59.1 for activities for which:

(1) all necessary local, State, or federal permits have been obtained prior to January 1, 2028 and the permit holder takes no subsequent act that would require a permit or registration under 10 V.S.A. chapter 32; or

(2) a complete application for all applicable local, State, and federal permits has been submitted on or before January 1, 2028, provided that the applicant does not subsequently file an application for a permit amendment that would require a permit under 10 V.S.A. chapter 32 and that substantial construction of the impervious surface or cleared area commences within two years following the date on which all applicable local, State, and federal permits become final.

* * * Wetlands * * *

Sec. 12. 10 V.S.A. § 901 is amended to read:

§ 901. WATER RESOURCES MANAGEMENT POLICY

It is hereby declared to be the policy of the State that:

(1) the water resources of the State shall be protected; regulated; and, where necessary, controlled under authority of the State in the public interest and to promote the general welfare;

(2) the wetlands of the State shall be protected, regulated, and restored so that Vermont achieves a net gain of wetlands acreage; and

(3) regulation and management of the water resources of the State, including wetlands, should be guided by science, and authorized activities in water resources and wetlands should have a net environmental benefit to the State.

Sec. 13. 10 V.S.A. § 902(13) is added to read:

(13) “Dam removal” has the same meaning as in section 1080 of this title.

Sec. 14. 10 V.S.A. § 916 is amended to read:

§ 916. ~~REVISION~~ UPDATE OF VERMONT SIGNIFICANT WETLANDS
INVENTORY MAPS

~~The Secretary shall revise the Vermont significant wetlands inventory maps to reflect wetland determinations issued under section 914 of this title and rulemaking by the panel under section 915 of this title.~~ (a) On or before

January 1, 2026, and not less than annually thereafter, the Agency of Natural Resources shall update the Vermont Significant Wetlands Inventory (VSWI) maps. The annual updates to the VSWI shall include integration of georeferenced shapefiles or similar files for all verified delineations performed within the State and submitted to the Agency of Natural Resources as part of a permit application, as well as a wetlands determination issued under section 914 of this title and rulemaking conducted pursuant to section 915 of this title. The VSWI layer shall include integration of any additional town specific inventories of otherwise unmapped wetlands performed by consultants on the Agency's Wetland Consultant List if the consultant has presented the map to a municipality or the Agency of Natural Resources.

(b) On or before January 1, 2030, the Secretary of Natural Resources shall complete High Quality Wetlands Inventory (NWI) Plus level mapping for all of the tactical basins in the State. The high-quality mapping shall include a ground truthing component, as recommended by the U.S. Fish and Wildlife Service (USFWS). Once all tactical basins are mapped, the Agency shall evaluate the need for NWI Plus level map updates on a five-year cycle, simultaneously with updates to the corresponding tactical basin plan.

Sec. 15. 10 V.S.A. §§ 918 and 919 are added to read:

§ 918. NET GAIN OF WETLANDS; STATE GOAL; RULEMAKING

(a) On or before July 1, 2025, the Secretary of Natural Resources shall amend the Vermont Wetlands Rules pursuant to 3 V.S.A. chapter 25 to clarify

that the goal of wetlands regulation and management in the State is the net gain of wetlands to be achieved through protection of existing wetlands and restoration of wetlands that were previously adversely affected. This condition shall not apply to wetland, river, and flood plain restoration projects, including dam removals.

(b) The Vermont Wetlands Rules shall prioritize the protection of existing intact wetlands from adverse effects. Where a permitted activity in a wetland will cause more than 5,000 square feet of adverse effects that cannot be avoided, the Secretary shall mandate that the permit applicant restore, enhance, or create wetlands or buffers to compensate for the adverse effects on a wetland. The amount of wetlands to be restored, enhanced, or created shall be calculated, at a minimum, by determining the acreage or square footage of wetlands permanently drained or filled as a result of the permitted activity and multiplying that acreage or square footage by two, to result in ratio of 2:1 restoration to wetland loss. Establishment of a buffer zone contiguous to a wetland shall not substitute for the restoration, enhancement, or creation of wetlands. Adverse impacts to wetland buffers shall be compensated for based on the effects of the impact on wetland function.

(c) At a minimum, the Wetlands Rules shall be revised to:

(1) Require an applicant for a wetland permit that authorizes adverse impacts to more than 5,000 square feet of wetlands to compensate for those impacts through restoration, enhancement, or creation of wetland resources.

(2) Incorporate the net gain rule into requirements for permits issued after September 1, 2025.

(3) Establish a set of parameters and restoration ratios applicable to permittee-designed restored wetland restoration projects, including a minimum 2:1 ratio of restoration to loss to compensate for permanently filled or drained wetlands. These parameters shall include consideration of the following factors:

(A) the existing level of wetland function at the site prior to mitigation or restoration of wetlands;

(B) the amount of wetland acreage and wetland function lost as a result of the project;

(C) how the wetland acreage and functions will be restored at the proposed compensation site;

(D) the length of time before the compensation site will be fully functional;

(E) the risk that the compensation project may not succeed;

(F) the differences in the location of the adversely affected wetland and the wetland subject to compensation that affect the services and values offered; and

(G) the requirement that permittees conduct five years of post-restoration monitoring for the restored wetlands, at which time the Agency can decide if further action is needed.

(d) When amending the Vermont Wetlands Rules under this section, the Secretary shall establish a Vermont in-lieu fee (ILF) compensation program for wetlands impacts that may be authorized as compensation for an adverse effect on a wetland when the permittee cannot achieve restoration. The Secretary may implement a Vermont ILF compensation program through agreements with third-party entities such as the U.S. Army Corps of Engineers or environmental organizations, provided that any ILF monetary compensation authorized under the rules shall be expended on restoration, reestablishment, enhancement, or conservation projects within the State at the HUC 8 level of the adversely affected wetland when practicable.

§ 919. WETLANDS PROGRAM REPORTS

(a) On or before April 30, 2025, and annually thereafter, the Secretary of Natural Resources shall submit to the House Committee on Environment and Energy and to the Senate Committee on Natural Resources and Energy a report on annual losses and gains of significant wetlands in the State. The report shall include:

(1) the location and acreage of Class II wetland and buffer losses permitted by the Agency in accordance with section 913 of this title, for which construction of the permitted project has commenced;

(2) the acreage of Class II wetlands and buffers gained through permit-related enhancement and restoration;

(3) the number of site visits and technical assistance calls conducted by

the Agency of Natural Resources, the number of permits processed by the Agency, and any enforcement actions that were taken by the Agency or the Office of the Attorney General in the previous year for violations of this chapter; and

(4) an updated mitigation summary of the extent of wetlands restored on-site compared with compensation performed off-site, in-lieu fees paid, or conservation.

(b) On or before April 30, 2027, and every five years thereafter, the Agency of Natural Resources shall submit to the House Committee on Environment and Energy and to the Senate Committee on Natural Resources and Energy a comprehensive report on the status of wetlands in the State. The report shall include:

(1) an analysis of historical trends of wetlands, including data analyzing the projects for which wetland permits were issued by county and tactical basin;

(2) the results of each NWI Plus Mapping Project, including net acres mapped, dominant vegetative composition, connected tributaries, locations of confirmed ground truthing, if applicable, and any other hydrologic soil or vegetative observations or trends noted; and

(3) relevant updates related to Class I and Class II wetlands to include additional wetlands identified under these categories, their composition and general characteristics, potential threats, patterns of use, and other unique

features.

Sec. 15a. WETLANDS RULEMAKING; ALLOWED USES

As part of the next amendments to the Vermont Wetlands Rules as required under Sec. 15 of this act or otherwise proposed, the Commissioner of Environmental Conservation shall review whether to authorize the following activities as allowed uses within a wetland:

(1) relocation of utility lines and poles adjacent to roadsides; and

(2) temporary access to wetlands, river, and flood restoration projects

that are currently allowed uses under the Rules, provided that the

Commissioner shall allow temporary access to wetlands as an allowed use for wetlands, river, and flood restoration projects conducted or initiated prior to January 1, 2025.

Sec. 15b. 10 V.S.A. § 1266a is amended to read:

§ 1266a. DISCHARGES OF PHOSPHORUS

(a) No person directly discharging into the drainage basins of Lake Champlain or Lake Memphremagog shall discharge any waste that contains a phosphorus concentration in excess of 0.80 milligrams per liter on a monthly average basis: with the following exceptions:

(1) Discharges ~~discharges~~ of less than 200,000 gallons per day, permitted on or before July 1, 1991, ~~shall not be subject to the requirements of this subsection;~~

(2) ~~Discharges~~ discharges from a municipally owned aerated lagoon type secondary sewage treatment plant in the Lake Memphremagog drainage basin, permitted on or before July 1, 1991 ~~shall not be subject to the requirements of this subsection~~ unless the plant is modified to use a technology other than aerated lagoons; and

(3) discharges of less than 35,000 gallons per day from a municipally owned secondary sewage treatment plant using recirculating sand filters in the Lake Champlain drainage basin, permitted on or before July 1, 2001 unless the plant is modified to use a technology other than recirculating sand filters.

(b) Notwithstanding any provision of subsection (a) of this section to the contrary, the Secretary shall establish effluent phosphorus wasteload allocations or concentration limits within any drainage basin in Vermont, as needed to achieve wasteload allocations in a total maximum daily load document approved by the U.S. Environmental Protection Agency, or as needed to attain compliance with water quality standards adopted by the Secretary pursuant to chapter 47 of this title.

(c) [Repealed.]

Sec. 16. 10 V.S.A. § 1274(a) is amended to read:

(a) Notwithstanding any other provision or procedure set forth in this chapter, if the Secretary finds that any person has discharged or is discharging any waste or damaging the ecological functions of wetlands in violation of this chapter or chapter 37 of this title, or that any person has failed to comply with

any provisions of any order or permit issued in accordance with this chapter or chapter 37 of this title, the Secretary may bring suit in the Superior Court in any county where the discharge, damage to wetlands, or noncompliance has occurred to enjoin the discharge ~~and to~~, obtain compliance, and mandate restoration of damaged wetlands. The suit shall be brought by the Attorney General in the name of the State. The court may issue a temporary injunction or order in any such proceedings and may exercise all the plenary powers available to it in addition to the power to:

(1) Enjoin future discharges.

(2) Order the design, construction, installation, or operation of pollution abatement facilities or alternate waste disposal systems.

(3) Order the restoration of damaged wetlands. Wetlands damaged in violation of chapter 37 of this title may be ordered restored, enhanced, or created.

(4) Order the removal of all wastes discharged and the restoration of water quality.

~~(4)~~(5) Fix and order compensation for any public property destroyed, damaged, or injured or any aquatic or terrestrial biota harmed or destroyed.

Compensation for fish taken or destroyed shall be deposited into the Fish and Wildlife Fund.

~~(5)~~(6) Assess and award punitive damages.

~~(6)~~(7) Levy civil penalties not to exceed \$10,000.00 a day for each day

of violation.

~~(7)~~(8) Order reimbursement to any agency of federal, State, or local government from any person whose discharge caused governmental expenditures.

Sec. 17. [Deleted.]

* * * Dam Safety * * *

Sec. 18. 10 V.S.A. chapter 43 is amended to read:

CHAPTER 43. DAMS

§ 1079. PURPOSE

It is the purpose of this chapter to protect public safety and provide for the public good through the inventory, inspection, and evaluation of dams in the State.

§ 1080. DEFINITIONS

As used in this chapter:

(1) “Department” means the Department of Environmental Conservation.

* * *

(4) “Engineer” means a professional engineer licensed under Title 26 who has experience in the design and investigation of dams.

* * *

(6)(A) “Dam” means any artificial barrier, including its appurtenant works, that is capable of impounding water, other liquids, or accumulated

sediments.

(B) “Dam” includes an artificial barrier that meets all of the following:

(i) previously was capable of impounding water, other liquids, or accumulated sediments;

(ii) was partially breached; and

(iii) has not been properly removed or mitigated.

(C) “Dam” ~~shall~~ does not mean:

(i) barriers or structures created by beaver or any other wild animal as that term is defined in section 4001 of this title;

(ii) transportation infrastructure that has no normal water storage capacity and that impounds water only during storm events;

(iii) an artificial barrier at a stormwater management structure that is regulated by the Agency of Natural Resources under chapter 47 of this title;

(iv) an underground or elevated tank to store water otherwise regulated by the Agency of Natural Resources;

(v) an agricultural waste storage facility regulated by the Agency of Agriculture, Food and Markets under 6 V.S.A. chapter 215; or

(vi) any other structure identified by the Department by rule.

(7) “Federal dam” means:

(A) a dam owned by the United States; or

(B) a dam subject to a Federal Energy Regulatory Commission

license or exemption.

(8) “Intake structure” means a dam that is constructed and operated for the primary purposes of minimally impounding water for the measurement and withdrawal of streamflow to ensure use of the withdrawn water for snowmaking, potable water, irrigation, or other purposes approved by the Department.

(9) “Nonfederal dam” means a dam that is not a federal dam.

(10) “Dam removal” means all actions needed to eliminate the risk of dam failure-related inundation below the dam and include partial or complete structural removal to the extent that the dam is no longer capable of impounding water, liquid, or sediment.

§ 1081. JURISDICTION OF DEPARTMENT ~~AND PUBLIC UTILITY~~
COMMISSION

(a) Powers and duties. Unless otherwise provided, the powers and duties authorized by this chapter shall be exercised by the Department, ~~except that the Public Utility Commission shall exercise those powers and duties over nonfederal dams and projects that relate to or are incident to the generation of electric energy for public use or as a part of a public utility system of~~ Environmental Conservation. Nonfederal dams at which the generation of electric energy is subject to licensing jurisdiction under the Federal Power Act, 16 U.S.C. chapter 12, subchapter 1, and the dam structure is regulated separately from electric generation shall ~~not~~ be under the jurisdiction of the

~~Public Utility Commission~~ Department, except to the extent of regulation at those facilities related solely to electric generation under the Federal Power Act.

(b) Transfer of jurisdiction. ~~Jurisdiction over a nonfederal dam is transferred from the Department to the Public Utility Commission when the Public Utility Commission receives an application for a certificate of public good for electricity generation at that dam. Jurisdiction over a federal dam is transferred to the Department when the license or exemption for a federal dam expires or is otherwise lost; when a certificate of public good is revoked or otherwise lost; or when the Public Utility Commission denies an application for a certificate of public good.~~

(c) Transfer of records. ~~Upon transfer of jurisdiction as set forth in subsection (b) of this section and upon written request, the State agency having former jurisdiction over a dam shall transfer copies of all records pertaining to the dam to the agency acquiring jurisdiction~~ Upon transfer of jurisdiction of any dam from the Public Utility Commission to the Department, the Public Utility Commission shall transfer copies of all records pertaining to the subject dam, including record drawings, construction drawings, engineering investigations and analyses, photographs, inspection reports, design, permitting, and emergency action planning documents and any other files pertaining to the subject dam, to the Department in digital and hardcopy format acceptable to the Department within 30 days following the jurisdictional

transfer.

§ 1082. AUTHORIZATION

(a) No person shall construct, enlarge, raise, lower, remodel, reconstruct, or otherwise alter any nonfederal dam, pond, or impoundment or other structure that is or will be capable of impounding more than 500,000 cubic feet of water or other liquid after construction or alteration, or remove, breach, or otherwise lessen the capacity of an existing nonfederal dam that is or was capable of impounding more than 500,000 cubic feet within or along the borders of this State where land in this State is proposed to be overflowed, or at the outlet of any body of water within this State, unless authorized by the ~~State agency having jurisdiction so to do~~ Department, provided that an application for activities that require authorization under 30 V.S.A. § 248 also shall be approved by the Public Utility Commission. However, in the matter of flood control projects where cooperation with the federal government is provided for by the provisions of section 1100 of this title, that section shall control.

(b) For the purposes of this chapter, the volume a dam or other structure is capable of impounding is the volume of water or other liquid, including any accumulated sediments, controlled by the structure with the water or liquid level at the top of the lowest nonoverflow part of the structure.

(c) An intake structure in existence on July 1, 2018 that continues to operate in accordance with a valid Department permit or approval that contains requirements for inspection and maintenance subject to section 1105 of this

title shall have a rebuttable presumption of compliance with the requirements of this chapter and rules adopted under this chapter, provided that no presumption of compliance shall apply if one or both of the following occur on or after July 1, 2018:

(1) the owner or operator of the intake takes an action that requires authorization under this section; or

(2) the Department issues an order under section 1095 of this title directing reconstruction, repair, removal, breaching, draining, or other action it considers necessary to improve the safety of the dam.

§ 1083. APPLICATION

(a) Any person who proposes to undertake an action subject to regulation pursuant to section 1082 of this title shall apply in writing to the ~~State agency having jurisdiction~~ Department. The application shall set forth:

(1) the location; the height, length, and other dimensions; and any proposed changes to any existing dam;

(2) the approximate area to be overflowed and the approximate number of or any change in the number of cubic feet of water to be impounded;

(3) the plans and specifications to be followed in the construction, remodeling, reconstruction, altering, lowering, raising, removal, breaching, or adding to;

(4) any change in operation and maintenance procedures; and

(5) other information that the ~~State agency having jurisdiction~~

Department considers necessary to review the application.

(b) The plans and specifications shall be prepared under the supervision of an engineer.

§ 1084. DEPARTMENT OF FISH AND WILDLIFE; INVESTIGATION

The Commissioner of Fish and Wildlife shall investigate the potential effects on fish and wildlife habitats of any proposal subject to section 1082 of this title and shall certify the results to the ~~State agency having jurisdiction~~ Department prior to any hearing or meeting relating to the determination of public good and public safety.

§ 1085. NOTICE OF APPLICATION

Upon receipt of the application required by section 1082 of this title, the ~~State agency having jurisdiction~~ Department shall give notice to the legislative body of each municipality in which the dam is located and to all interested persons. The Department shall provide notice of and an opportunity for public comment in accordance with chapter 170 of this title.

~~(1) The Department shall proceed in accordance with chapter 170 of this title.~~

~~(2) For any project subject to its jurisdiction under this chapter, the Public Utility Commission shall hold a hearing on the application. The purpose of the hearing shall be to determine whether the project serves the public good as defined in section 1086 of this title and provides adequately for the public safety. The hearing shall be held in a municipality in the vicinity of~~

~~the proposed project and may be consolidated with other hearings, including hearings under 30 V.S.A. § 248 concerning the same project. Notice shall be given at least 10 days before the hearing to interested persons by posting in the municipal offices of the towns in which the project will be completed and by publishing in a local newspaper.~~

§ 1086. DETERMINATION OF PUBLIC GOOD; CERTIFICATES

(a) “Public good” means the greatest benefit of the people of the State. In determining whether the public good is served, the ~~State agency having jurisdiction~~ Department shall give due consideration to public safety and, among other things, the effect the proposed project will have on:

(1) the quantity, kind, and extent of cultivated agricultural land that may be rendered unfit for use by or enhanced by the project, including both the immediate and long-range agricultural land use impacts;

(2) scenic and recreational values;

(3) fish and wildlife;

(4) forests and forest programs;

(5) [Repealed.]

(6) the existing uses of the waters by the public for boating, fishing, swimming, and other recreational uses;

(7) the creation of any hazard to navigation, fishing, swimming, or other public uses;

(8) the need for cutting clean and removal of all timber or tree growth

from all or part of the flowage area;

- (9) the creation of any public benefits;
- (10) attainment of the Vermont water quality standards;
- (11) any applicable State, regional, or municipal plans;
- (12) municipal grand lists and revenues; and
- (13) ~~public safety; and~~

~~(14)~~ in the case of the proposed removal of a dam that formerly related to or was incident to the generation of electric energy, but that was not subject to a memorandum of understanding dated prior to January 1, 2006 relating to its removal, the potential for and value of future power production.

(b) If the ~~State agency having jurisdiction~~ Department finds that the project proposed under section 1082 of this title will serve the public good, and, in case of any waters designated by the Secretary as outstanding resource waters, will preserve or enhance the values and activities sought to be protected by designation, the agency shall issue its order approving the application. The order shall include conditions for attainment of water quality standards, as determined by the Agency of Natural Resources, and such other conditions as the ~~agency having jurisdiction~~ Department considers necessary to protect any element of the public good listed in subsection (a) of this section. Otherwise it shall issue its order disapproving the application.

(c) The ~~State agency having jurisdiction~~ Department shall provide the applicant and interested persons with copies of its order.

(d) In the case of a proposed removal of a dam that is under the jurisdiction of the Department and that formerly related to or was incident to the generation of electric energy but that was not subject to a memorandum of understanding dated before January 1, 2006 relating to its removal, the Department shall consult with the Department of Public Service regarding the potential for and value of future power production at the site.

§ 1087. REVIEW OF PLANS AND SPECIFICATIONS

For any proposal subject to authorization under section 1082 of this title, the ~~State agency having jurisdiction~~ Department shall ~~employ~~ require an engineer to investigate the property, review the plans and specifications, and make additional investigations as the ~~State agency having jurisdiction~~ Department considers necessary to ensure that the project adequately provides for the public safety. The engineer conducting an investigation under this section shall be an employee of the Department or shall be operating under the supervision of the Department as an independent consultant hired by either the Department or the project proponent. The engineer shall report ~~his or her~~ the engineer's findings to the ~~State agency having jurisdiction~~ Department.

§ 1089. EMPLOYMENT OF ENGINEER

~~With the approval of the Governor, the State agency having jurisdiction may employ an engineer to investigate the property, review the plans and specifications, and make such additional investigation as the State agency shall deem necessary, and such engineer shall report to the State agency his or her~~

~~findings in respect thereto~~ The Department shall employ engineers to perform the duties required under this chapter to adequately provide for public safety.

§ 1090. CONSTRUCTION SUPERVISION

The construction, alteration, or other action authorized in section 1086 of this title shall be supervised by an engineer employed by the applicant. Upon completion of the authorized project, the engineer shall ~~certify~~ provide confirmation to the ~~agency having jurisdiction~~ Department that the project has been completed in ~~conformance~~ general accordance with the approved plans and specifications and dam order conditions.

§ 1095. UNSAFE DAM; PETITION; HEARING; EMERGENCY

(a) On receipt of a petition signed by ~~no~~ not fewer than ~~ten~~ 10 interested persons or the legislative body of a municipality, the ~~State agency having jurisdiction~~ Department shall, or upon its own motion it may, institute investigations by an engineer as described in section 1087 of this title regarding the safety of any existing nonfederal dam or portion of the dam of any size. The ~~agency~~ Department may fix a time and place for hearing and shall give notice in the manner it directs to all interested persons. The engineer shall present ~~his or her~~ the engineer's findings and recommendations at the hearing. After the hearing, if the Department finds that the nonfederal dam or portion of the dam as maintained or operated is unsafe or is a menace to people or property above or below the dam, it shall issue an order directing reconstruction, repair, removal, breaching, draining, or other action it considers

necessary to improve the safety of the dam sufficiently to protect life and property as required by the ~~State agency having jurisdiction~~ Department.

(b) If, upon the expiration of ~~such a~~ a date as may be ordered, the person owning legal title to ~~such the~~ the dam or the owner of the land on which the dam is located has not complied with the order directing the reconstruction, repair, breaching, removal, draining, or other action of ~~such the~~ the unsafe dam, the ~~State agency having jurisdiction~~ Department may petition the Superior Court in the county in which the dam is located to enforce its order or exercise the right of eminent domain to acquire the rights that may be necessary to effectuate a remedy as the public safety or public good may require. If the order has been appealed, the court may prohibit the exercise of eminent domain by the ~~State agency having jurisdiction~~ Department pending disposition of the appeal.

(c) If, upon completion of the investigation described in subsection (a) of this section, the ~~State agency having jurisdiction~~ Department considers the dam to present an imminent threat to human life or property, it shall take whatever action it considers necessary to protect life and property and subsequently shall conduct the hearing described in subsection (a) of this section.

§ 1099. APPEALS

~~(a)~~ Appeals of any act or decision of the Department under this chapter shall be made in accordance with chapter 220 of this title.

~~(b) Appeals from actions or orders of the Public Utility Commission may be taken in the Supreme Court in accord with 30 V.S.A. § 12.~~

* * *

§ 1105. INSPECTION OF DAMS

(a) Inspection; schedule. All nonfederal dams in the State shall be inspected according to a schedule adopted by rule by the ~~State agency having jurisdiction over the dam~~ Department.

(b) Dam inspection. A nonfederal dam in the State shall be inspected under one or both of the following methods:

(1) The ~~State agency having jurisdiction over a dam~~ Department may employ an engineer to make periodic inspections of nonfederal dams in the State to determine their condition and the extent, if any, to which they pose a possible or probable threat to life and property.

(2) The ~~State agency having jurisdiction~~ Department shall adopt rules pursuant to 3 V.S.A. chapter 25 to require an adequate level of inspection by an independent engineer.

(c) Dam safety reports. If a dam inspection report is completed by the ~~State agency having jurisdiction, the agency~~ Department, the Department shall provide the person owning legal title to the dam or the owner of the land on which the dam is located with a copy of the inspection report and shall make all inspection reports available on the Department website for public review. For dams owned by the State, the Department shall provide the inspection report to the designated point of contact for the dam at the State entity owning the dam and make the information available to the public on the Department

website.

(d) Notice of unsafe State dam. Notwithstanding the timing for submission of a dam safety report under subsection (c) of this section, if the Department determines that a State dam is unsafe and in need of repair or removal, the Department shall immediately notify the designated point of contact of the State entity that owns the dam and make this information available to the public on the Department website.

§ 1106. ~~UNSAFE DAM~~ SAFETY REVOLVING LOAN FUND

(a) There is hereby established a special fund to be known as the Vermont ~~Unsafe Dam Safety~~ Revolving Loan Fund that shall be used to provide ~~grants and loans to municipalities, nonprofit entities, and private individuals~~ low- or zero-interest loans, including subsidized loans as established under subsection (b) of this section and the rules adopted under section 1110 of this title, pursuant to rules adopted by the Agency of Natural Resources, for the reconstruction, repair, removal, breaching, draining, or other action necessary to reduce the ~~threat risk~~ risk of a dam ~~or portion of a dam determined to be unsafe pursuant to section 1095 of this chapter.~~

(b) Funds from the Dam Safety Revolving Loan Fund shall be available for both emergency and nonemergency projects. To be eligible for a Dam Safety Loan, the dam shall meet the conditions associated with the funding type:

(1) Emergency funding. To provide emergency funding for critical, time-sensitive temporary safety or risk reduction measures such as reservoir

drawdown, partially or fully breaching the dam, stabilization or buttressing of the dam, including engineering and emergency action planning activities. To be eligible for emergency funding, the dam must meet the following criteria:

(A) The dam must be under the regulatory jurisdiction of the DEC Dam Safety Program, including dams owned by the State of Vermont.

(B) The dam must be in need of critical time-sensitive safety or risk reduction measures in order to protect public safety and property, or be a dam found to be unsafe or a menace to public safety under section 1095 of this title. The Dam Safety Program shall be able to access the fund on behalf of owners in cases of emergency, immediate need, or in the case of unwilling or unable dam owners.

(2) Nonemergency funding. For permanent safety or risk reduction projects such as repair, rehabilitation, or removal, including engineering, analyses, design, and construction. To be eligible for nonemergency funding, the dam must meet the following criteria:

(A) The dam must be under the regulatory jurisdiction of the DEC Dam Safety Program, excluding dams owned by the State of Vermont.

(B) The dam must be classified as a significant or high-hazard potential dam and in fair, poor, or unsatisfactory condition based on the last periodic or comprehensive inspection.

(C) For funding for nonemergency repair or rehabilitation projects, the dam owner shall provide an operation and maintenance plan and dam

safety compliance schedule as well as financial information to show sufficient resources are available to maintain the dam and comply with the dam safety rules after the completion of repairs or the rehabilitation project.

(D) For funding for nonemergency construction, the applicant shall provide proof that applicable local, State, and federal permits have been obtained, including the State Dam Safety Order.

(E) To be eligible for nonemergency funding, an alternatives analysis of dam repair, rehabilitation, and removal options that considers an evaluation of risk reduction, dam safety and ecological resilience and public benefits considerations, and costs shall be completed, pursuant to the rule adopted by the Department.

(F) Under this subdivision (b)(2), only engineering, analysis, design, and construction that result in acceptable risk reduction are eligible for loan subsidy.

(c) The Fund created by this section shall be established and held separate and apart from any other funds or monies of the State and shall be used and administered exclusively for the purposes set forth in this section. The funds shall be invested in the same manner as permitted for investment of funds belonging to the State or held in the Treasury. The Fund shall consist of the following:

(1) ~~Such~~ such sums as may be appropriated or transferred thereto from time to time by the General Assembly, the Emergency Board, or the Joint

Fiscal Committee during such times as the General Assembly is not in session;:

(2) ~~Principal~~ principal and interest received from the repayment of loans made from the Fund;:

(3) ~~Capitalization~~ capitalization grants and awards made to the State by the United States of America for the purposes for which the Fund has been established;:

(4) ~~Interest~~ interest earned from the investment of Fund balances;:

(5) ~~Private~~ private gifts, bequests, and donations made to the State for the purposes for which the Fund has been established;: and

(6) ~~Other~~ other funds from any public or private source intended for use for any of the purposes for which the Fund has been established.

~~(e)~~(d) The Secretary may bring an action under this subsection or other available State and federal laws against the owner of the dam to seek reimbursement to the Fund for all loans made from the Fund pursuant to this section.

(e)(1) Annually, on or before January 31, the Department shall report to the House Committee on Environment and Energy and the Senate Committee on Natural Resources and Energy regarding operation and administration of the Dam Safety Program. The report shall include:

(A) details on all emergency and nonemergency loans made from the Dam Safety Fund during the previous year;

(B) a description of each project funded from the Dam Safety Fund, including dam name, town and waterbody in which the dam is located, hazard classification, dam condition, details of the repair or removal, year of the last and next Department inspection, project cost, loan amount, and repayment terms;

(C) for emergency loans, justification for the emergency and an explanation why action was needed to be undertaken immediately using State funds; and

(D) a projection of loan repayment income to the fund.

(2) The Department shall post reports made under this subsection to its website on the same date the report is submitted to the General Assembly.

§ 1107. HAZARD POTENTIAL CLASSIFICATIONS

(a) ~~The State agency having jurisdiction over a nonfederal dam listed in the Vermont Dam Inventory~~ Department shall assess the hazard potential classification of ~~the dam~~ all nonfederal dams listed in the Vermont Dam Inventory based on the potential loss of human life, property damage, and economic loss that would occur in the event of the failure of the dam. There shall be four hazard potential classifications: high, significant, low, and minimal.

(b) ~~The State agency having jurisdiction over a nonfederal dam on the Vermont Dam Inventory~~ Department may assess or reassess the hazard potential classification of the dam at any time.

* * *

§ 1110. RULEMAKING

The Commissioner of Environmental Conservation shall adopt rules to implement the requirements of this chapter for dams under the jurisdiction of the Department. The rules shall include:

(1) a standard or regulatory threshold under which a dam is exempt from the registration or inspection requirements of this chapter;

(2) standards for:

(A) the siting, design, construction, reconstruction, enlargement, modification, or alteration of a dam;

(B) operation and maintenance of a dam;

(C) inspection, monitoring, record keeping, and reporting;

(D) repair, breach, or removal of a dam;

(E) application for authorization under section 1082 of this title; and

(F) the development of an emergency action plan for a dam, including guidance on how to develop an emergency action plan, the content of a plan, and when and how an emergency action plan should be updated;

(3) criteria for the hazard potential classification of dams in the State;

(4) a process by which a person owning legal title to a dam or a person owning the land on which the dam is located shall register a dam and record the existence of the dam in the lands records; ~~and~~

(5) requirements for the person owning legal title to a dam or the person

owning the land on which the dam is located to conduct inspections of the dam; and

(6) requirements for access to financing and subsidy from the Dam Safety Revolving Loan Fund, including the requirement that an alternatives analysis be performed by an engineering consultant hired by either the dam owner or the Department.

§ 1111. ~~NATURAL RESOURCES ATLAS; DAM STATUS~~

~~Annually on or before January 1, the Public Utility Commission shall submit to the Department updated inventory information from the previous calendar year for dams under the jurisdiction of the Public Utility Commission.~~

[Repealed.]

Sec. 19. 2018 Acts and Resolves No. 161, Sec. 2, as amended by 2023 Acts

and Resolves No. 79, Sec. 1, is further amended to read:

Sec. 2. DAM REGISTRATION PROGRAM REPORT

On or before January 1, ~~2025~~ 2026, the Department of Environmental Conservation shall submit a report to the House Committees on ~~Natural Resources, Fish, and Wildlife~~ Environment and Energy and on Ways and Means and the Senate Committees on Natural Resources and Energy and on Finance. The report shall contain:

- (1) an evaluation of the dam registration program under 10 V.S.A. chapter 43;
- (2) a recommendation on whether to modify the fee structure of the dam

registration program;

(3) a summary of the dams registered under the program, organized by amount of water impounded and hazard potential classification; and

(4) an evaluation of any other dam safety concerns related to dam registration.

Sec. 20. 2018 Acts and Resolves No. 161, Sec. 3, as amended by 2023 Acts

and Resolves No. 79, Sec. 2, is further amended to read:

Sec. 3. ADOPTION OF RULES

The Secretary of Natural Resources shall adopt the rules required under 10 V.S.A. § 1110 as follows:

(1) the rules required under 10 V.S.A. § 1110(1) (exemptions), § 1110(3) (emergency action plan), § 1110(4) (hazard potential classification), § 1110(5) (dam registration), and § 1110(6) (dam inspection) shall be adopted on or before July 1, 2020; and

(2) the rules required under 10 V.S.A. § 1110(2) (dam design standards) shall be adopted on or before July 1, ~~2024~~ 2025.

Sec. 21. [Deleted.]

Sec. 22. STUDY COMMITTEE ON DAM EMERGENCY OPERATIONS
PLANNING

(a) Creation. There is created the Study Committee on Dam Emergency Operations Planning to review and recommend how to improve regional emergency action planning for hazards caused by dam failure, including how

to shift responsibility for emergency planning from individual municipalities to regional authorities, how to improve regional implementation of dam emergency response plans, and how to fund dam emergency action planning at the regional level.

(b) Membership. The Study Committee on Dam Emergency Operations Planning shall be composed of the following members:

(1) one member of the Department of Environmental Conservation Dam Safety Program, who shall be appointed by the Governor;

(2) two members representing regional planning commissions in the State, who shall be appointed by the Committee on Committees;

(3) one member of the Division of Emergency Management, who shall be appointed by the Governor;

(4) two legal owners of a dam, one of whom shall own a dam capable of generating electricity, who shall be appointed by the Speaker upon recommendation of the Dam Safety Program of the Department of Environmental Conservation; and

(5) one or more emergency management director or incident commander from a municipality with experience in developing and carrying out an emergency operation plan.

(c) Powers and duties. The Study Committee on Dam Emergency Operations Planning shall:

(1) identify those dams in the State that are classified as high-hazard

dams;

(2) summarize the existing responsibilities of individual municipalities to prepare for and implement existing emergency response plans, including how those responsibilities are funded and whether placing responsibility with individual municipalities is appropriate;

(3) identify the regional planning commissions in which a dam identified under subdivision (1) of this subsection are located;

(4) recommend the content for a regional emergency action plan for each dam identified under subdivision (1) of this subsection, including identifying necessary evacuations, how evacuees will be sheltered and provided care, and the location of emergency management centers for each dam;

(5) recommend who should prepare a regional emergency action plan for each dam identified under subdivision (1) of this subsection, including the basis for the recommendation and the role that regional planning commissions should play in the preparation of the plans;

(6) estimate the cost of the production of regional emergency action plans for dams; and

(7) estimate the cost for regional planning commissions and municipalities to implement an emergency action plan, including a recommended source of the funding.

(d) Assistance. For purposes of scheduling meetings, administrative

support, legal assistance, and fiscal assistance, the Study Committee shall have the assistance of the Agency of Natural Resources.

(e) Report. On or before December 15, 2024, the Study Committee shall submit a written report to the General Assembly with its findings and any recommendations for legislative action. Any recommendation for legislative action shall be submitted as draft legislation.

(f) Meetings.

(1) The Secretary of Natural Resources or designee shall call the first meeting of the Study Committee.

(2) The Committee shall select a chair from among its members at the first meeting.

(3) A majority of the membership of the Study Committee shall constitute a quorum.

(4) The Study Committee shall cease to exist on March 1, 2025.

(g) Compensation and reimbursement. Members of the Study Committee shall be entitled to per diem compensation and reimbursement of expenses as permitted under 32 V.S.A. § 1010 for not more than eight meetings. These payments shall be made from monies appropriated to the General Assembly.

Sec. 23. DETERMINATION OF FEDERAL ENERGY REGULATORY
COMMISSION (FERC) JURISDICTION

Nonfederal hydroelectric projects without a valid pre-1920 license may be subject to the Federal Energy Regulatory Commission's (FERC) jurisdiction

and may require a license from FERC to operate. By July 31, 2025, the Department of Environmental Conservation, in coordination with the Public Utility Commission, shall file petitions for a Declaratory Order from FERC to determine whether projects currently under the Public Utility Commission's jurisdiction fall under FERC's hydroelectric licensing jurisdiction. The Public Utility Commission shall provide notice to the dam owner when a petition is filed with FERC.

Sec. 24. TRANSITION; DAMS

(a) On or before July 1, 2028, the Department of Environmental Conservation shall assume jurisdiction under 10 V.S.A. chapter 43 of all dams within the jurisdiction of the Public Utility Commission as of July 1, 2024.

(b) On or before January 15, 2026 and annually thereafter until the Department of Environmental Conservation has assumed jurisdiction under 10 V.S.A. chapter 43 over all dams from the Public Utility Commission, the Department of Environmental Conservation shall report to the Senate Committee on Natural Resources and Energy and the House Committee on Environment and Energy regarding progress in preparation for transfer of jurisdiction of the dams from the Public Utility Commission to the Department of Environmental Conservation.

(c) Notwithstanding the effective date of Sec. 18 of this act (transfer of dam safety jurisdiction), the Public Utility Commission shall retain jurisdiction over dams within its control as of July 1, 2024 until the Department of

Environmental Conservation assumes the jurisdiction of each dam as required by subsection (a) of this section. While the Public Utility Commission continues to exercise authority under 10 V.S.A. chapter 43, as it existed on June 30, 2024, the Public Utility Commission shall apply the dam design standard rules as adopted by the Department of Environmental Conservation.

(d) The rulemaking required under Sec. 18 (dam safety transfer) of this act under 10 V.S.A. § 1110(6) shall be completed on or before July 1, 2027.

(e) Funding from the Dam Safety Revolving Fund, as amended by Sec. 18 of this act (dam safety transfer) shall be available for nonemergency use upon the completion of rulemaking required under 10 V.S.A. §1110 (6) and (7).

(f) On or before January 15, 2025, the Agency of Natural Resources shall complete its analysis of the capital and ongoing operations and maintenance costs of the Green River Dam, as authorized in 2022 Acts and Resolves No. 83, Sec. 46, and shall submit the results of the analysis to the House Committees on Environment and Energy and on Appropriations and the Senate Committees on Natural Resources and Energy and on Appropriations.

* * * Basin Planning * * *

Sec. 25. 10 V.S.A. § 1253(d) is amended to read:

(d)(1) Through the process of basin planning, the Secretary shall determine what degree of water quality and classification should be obtained and maintained for those waters not classified by the Board before 1981 following the procedures in sections 1254 and 1258 of this title. Those waters shall be

classified in the public interest. The Secretary shall prepare and maintain an overall surface water management plan to assure that the State water quality standards are met in all State waters. The surface water management plan shall include a schedule for updating the basin plans. The Secretary, in consultation with regional planning commissions and the Natural Resources Conservation Council, shall revise all 15 basin plans and update the basin plans on a five-year rotating basis. On or before January 15 of each year, the Secretary shall report to the House Committees on Agriculture, Food Resiliency, and Forestry and on ~~Natural Resources, Fish, and Wildlife~~ Environment and Energy and to the Senate Committees on Agriculture and on Natural Resources and Energy regarding the progress made and difficulties encountered in revising basin plans. The report shall include a summary of basin planning activities in the previous calendar year, a schedule for the production of basin plans in the subsequent calendar year, and a summary of actions to be taken over the subsequent three years. The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the report to be made under this subsection.

(2) In developing a basin plan under this subsection, the Secretary shall:

(A) identify waters that should be reclassified outstanding resource waters or that should have one or more uses reclassified under section 1252 of this title;

(B) identify wetlands that should be reclassified as Class I wetlands;

(C) identify projects or activities within a basin that will result in the

protection and enhancement of water quality;

* * *

(J) provide for public notice of a draft basin plan; ~~and~~

(K) provide for the opportunity of public comment on a draft basin plan; and

(L) identify opportunities to mitigate impacts of severe precipitation events on communities through implementation of nature-based restoration projects or practices that increase natural flood water attenuation and storage.

* * * Expanded Polystyrene Foam * * *

Sec. 26. 10 V.S.A. chapter 47, subchapter 2B is added to read:

Subchapter 2B. Expanded Polystyrene Foam

§ 1321. DEFINITIONS

As used in this subchapter:

(1) “Buoy” means any float or marker that is attached to a mooring anchor and either is suitable for attachment to a boat through the use of a pennant or other device or facilitates the attachment of the boat to the mooring anchor.

(2) “Dock” means an unenclosed structure secured to land, land under waters, or a mooring or a floating structure that is used for mooring boats or for recreational activities, such as a swimming, fishing, or sunbathing platform. A dock includes a structure that is partially enclosed or has two or more levels.

(3) “Encapsulated” means a protective covering or physical barrier

between the polystyrene device and the water.

(4) “Expanded polystyrene foam” means a thermoplastic petrochemical material utilizing the styrene monomer that is processed according to multiple techniques, including fusion of polymer spheres, injection molding, form molding, and extrusion-blow molding.

(5) “Floating structure” means a structure constructed on or in a water of the State that is supported by flotation and is secured in place by a piling or mooring anchor, including boathouses, fueling structures, floating homes, marinas, walkways, or boarding platforms.

(6) “Mooring anchor” means any anchor or weight that is designed to:

(A) rest on the land under water or be buried in the land under water;

(B) be attached to a buoy or floating structure by a chain, rope, or other mechanism; and

(C) be left in position permanently or on a seasonal basis.

§ 1322. INSTALLATION, REPAIR, REMOVAL, AND SALE OF BUOYS,
DOCKS, OR FLOATING STRUCTURES

(a) Encapsulation required. Expanded polystyrene foam used for flotation, including buoys, docks, or floating structures, shall be encapsulated by a protective covering or shall be designed to prevent the expanded polystyrene foam from disintegrating into the water.

(b) Prohibition; unencapsulated polystyrene and open-cell (beaded) polystyrene; repair. No person shall use unencapsulated polystyrene or open-

cell (beaded) polystyrene for the installation of a new buoy, dock, or floating structure on the waters of the State. Unencapsulated polystyrene materials and open-cell beaded polystyrene shall not be used for the repair of buoys, docks, or floating structures on waters of the State.

(c) Methods of encapsulation.

(1) Encapsulation of a buoy, dock, or floating structure required under subsection (a) of this section shall completely cover or be a physical barrier between the expanded polystyrene foam and the water. Small gaps up to 0.75-inch-diameter ballast holes are permitted in the physical barrier or covering provided they are 0.1 percent or less of the square footage of the buoy, dock, or floating structure.

(2) All materials and methods of encapsulation shall provide an effective physical barrier between the expanded polystyrene foam and the water for a period not less than 10 years. Any fasteners used to hold encapsulation materials together shall be effectively treated or be of a form resistant to corrosion and decay.

(d) Disposal. Irreparable encapsulated polystyrene, unencapsulated polystyrene, and irreparable encapsulated open-cell (beaded) polystyrene used for flotation, including buoys, docks, or floating structures, shall be properly disposed of in an approved manner.

(e) Sale or distribution. No person shall sell, offer for sale, or otherwise distribute for compensation within the State dock floats, mooring buoys, or

anchor or navigation markers made, in whole or in part, from expanded polystyrene foam that is:

(1) not wholly encapsulated or encased within a more durable material;

or

(2) open-cell (beaded) polystyrene, including materials that are encapsulated and unencapsulated.

§ 1323. NUISANCE

The use of unencapsulated polystyrene as a flotation device in waters of the State, including in any dock system, float, mooring system, or buoy, is declared a nuisance and public health hazard and may be prosecuted as provided in the Vermont Revised Statutes.

§ 1324. RULEMAKING

The Secretary may adopt rules to implement the requirements of this subchapter.

Sec. 27. [Deleted.]

* * * Report on Waiver of Permit Fees * * *

Sec. 28. REPORT ON WAIVER OF PERMIT FEES

(a)(1) The Secretary of Natural Resources shall produce a report on whether and how to establish criteria for waiving, reducing, or mitigating Agency of Natural Resources' permit fees for persons of low income or other criteria.

(2) The Chair of the Natural Resources Board shall produce a report on whether and how to establish criteria for waiving, reducing, or mitigating Act 250 permit fees for persons of low income or other criteria.

(b) The reports required under subsection (a) of this section shall include:

(1) a recommendation of whether the State should establish criteria or a methodology for waiving, reducing, or mitigating permit fees for persons of low income or other criteria; and

(2) if a report recommends waiver, reduction, or mitigation under subdivision (1) of this section, what the criteria for waiver, reduction, or mitigation should be and whether the fees should be reduced or entirely waived.

(c) On or before December 15, 2024, the Secretary of Natural Resources and the Chair of the Natural Resources Board shall submit to the House Committees on Ways and Means and on Environment and Energy and the Senate Committees on Finance and on Natural Resources and Energy the reports required under subsection (a) of this section.

* * * Effective Dates * * *

Sec. 29. EFFECTIVE DATES

(a) This section and Secs. 19 (dam registration report), 20 (dam design standard rules), and 23 (FERC petition) shall take effect on passage.

(b) All other sections shall take effect July 1, 2024, except that:

(1) Secs. 6a, 7, 8, 8a, and 9 (conforming amendments to municipal river

corridor planning) shall take effect on January 1, 2028, except that in Sec. 9, 24 V.S.A. § 4424(a)(2)(B)(i) (municipal compliance with the State Flood Hazard Area Standards) shall take effect on January 1, 2026;

(2) in Sec. 18, 10 V.S.A. § 1106 (Dam Safety Revolving Loan Fund) shall take effect on passage;

(3) under Sec. 25 (basin planning), the requirement shall be effective for updated tactical basin plans that commence on or after January 1, 2025; and

(4) in Sec. 26 (expanded polystyrene foam requirements), 10 V.S.A. § 1324 (ANR rulemaking) shall take effect on passage.

Date on which Governor allowed bill to become law without his signature:

May 30, 2024