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Fiscal Note

March 10, 2026 Ted Barnett, Senior Fiscal Analyst

S.212 – An act relating to potable water supply and wastewater system connections

As recommended by the Senate Committee on Natural Resources and Energy, Draft 6.1[1i]

Bill Summary

This bill would create a new general permit for connections to potable water supplies and wastewater systems starting on January 1, 2028.

The bill would also allow municipalities to receive partial delegation for potable water supply and wastewater system connections and revoke current provisions that allow the Agency of Natural Resources (ANR) to delegate full responsibility to municipalities for permitting and enforcement of potable and wastewater systems and connections. Note that the proposed partial delegation of permitting authority would only be possible in municipalities that are qualified to conduct the technical review of permit applications and receive approval from their legislative body to administer these reviews.

The bill also requires ANR to publish a manual by December 1, 2027 providing guidance to licensed designers in implementing the permit and determining the capacity of an existing public water system or pollution abatement facility.

Fiscal Impact

The fiscal impact of the bill would come from three sources: a newly created $100 administrative fee, a new general permit fee schedule for connections to a potable water supply or wastewater system, and a repeal of exemptions from State permitting currently in the Department of Environmental Conservation's (DEC's) Wastewater System and Potable Water Supply Rules. Some changes would result in additional fee revenue and others would reduce revenue. The net result of these changes is likely to decrease revenue to the Environmental Permit Fund, but the magnitude of this change is unknown.

Additional revenue generated by the administrative fee paid by municipalities is expected to be minimal, as only small number of municipalities are expected to manage these connection permits locally.

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[1] *The Joint Fiscal Office (JFO) is a nonpartisan legislative office dedicated to producing unbiased fiscal analysis – this fiscal note is meant to provide information for legislative consideration, not to provide policy recommendations.*

The new general permit would reduce revenues to the Environmental Permit Fund by an undetermined amount, since fees for the new general permit are lower than under current law. A comparison of current law and the fee schedule proposed in S.212:

Table 1: **Comparison of Connections Fees Under Current Law and S.212**

Permit Type	Current Law	Proposed
Residential permits in certain designated centers	$50.00	$50.00
Design flows 560 gpd* or less	$306.25	$250.00
Design flows greater than 560 and less than or equal to 2,000 gpd	$870.00	$250.00
Design flows greater than 2,000 and less than or equal to 6,500 gpd	$3,000.00	$2,500.00
Design flows greater than 6,500 and less than or equal to 10,000 gpd	$7,500.00	$5,000.00
Design flows greater than 10,000 gpd	$13,500.00	$5,000.00
** "gpd" stands for "gallons per day"*		

Residential projects in designated neighborhoods pay a standard fee of $50 regardless of project size. Act 181 (2024) extended this benefit to certain designated centers and required regional plans to show areas that qualify for designation as a center or neighborhood. These plans and areas would be approved by the Land Use Review Board by December 31, 2026. This will likely expand the areas that would qualify for discounted permit fees. However, since these maps are not finalized, the set of permits that will qualify for this reduced fee, and consequent fee impacts from the bill are not known.

Finally, the bill would repeal exemptions from State permitting that are currently in rule for municipalities that received full delegation of authority from ANR. By removing these exemptions, additional projects would pay permit fees, though the magnitude of projects currently exempted is not known.

Collectively, these changes would impact the Environmental Permit Fund, which implements ANR's permitting programs and pays for a portion of the costs of the Environmental Division of the Vermont Judiciary. Fiscal year 2025 revenues for the Environmental Permit Fund were approximately $11.3 million from all sources.

[i] *The full fiscal note history is available on the fiscal tab of the bill page on the General Assembly website and can be pulled up through a bill number search on the JFO page.*