

# Administrative Procedures – Economic Impact Analysis

## **Instructions:**

In completing the economic impact analysis, an agency analyzes and evaluates the anticipated costs and benefits to be expected from adoption of the rule; estimates the costs and benefits for each category of people enterprises and government entities affected by the rule; compares alternatives to adopting the rule; and explains their analysis concluding that rulemaking is the most appropriate method of achieving the regulatory purpose.

Rules affecting or regulating schools or school districts must include cost implications to local school districts and taxpayers in the impact statement, a clear statement of associated costs, and consideration of alternatives to the rule to reduce or ameliorate costs to local school districts while still achieving the objectives of the rule (see 3 V.S.A. § 832b for details).

Rules affecting small businesses (excluding impacts incidental to the purchase and payment of goods and services by the State or an agency thereof), must include ways that a business can reduce the cost or burden of compliance or an explanation of why the agency determines that such evaluation isn't appropriate, and an evaluation of creative, innovative or flexible methods of compliance that would not significantly impair the effectiveness of the rule or increase the risk to the health, safety, or welfare of the public or those affected by the rule.

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## 1. TITLE OF RULE FILING:

**Vermont Wetland Rules**

## 2. ADOPTING AGENCY:

Agency of Natural Resources

## 3. CATEGORY OF AFFECTED PARTIES:

*LIST CATEGORIES OF PEOPLE, ENTERPRISES, AND GOVERNMENTAL ENTITIES POTENTIALLY AFFECTED BY THE ADOPTION OF THIS RULE AND THE ESTIMATED COSTS AND BENEFITS ANTICIPATED:*

Government entities (federal and state) engaged in land management

The public at large, with an interest in wetland integrity and water quality.

## 4. IMPACT ON SCHOOLS:

*INDICATE ANY IMPACT THAT THE RULE WILL HAVE ON PUBLIC EDUCATION, PUBLIC SCHOOLS, LOCAL SCHOOL DISTRICTS AND/OR TAXPAYERS CLEARLY STATING ANY ASSOCIATED COSTS:*

There are no public schools with property adjacent to the proposed Class I wetland. Reclassification of the wetland has the potential to benefit public education by providing educational opportunities to local schools.

5. *ALTERNATIVES: CONSIDERATION OF ALTERNATIVES TO THE RULE TO REDUCE OR AMELIORATE COSTS TO LOCAL SCHOOL DISTRICTS WHILE STILL ACHIEVING THE OBJECTIVE OF THE RULE.*

No economic impact on public schools is anticipated. No alternative to the proposed rule amendment will provide the level of protection to the wetland as will be provided by the Class I designation.

6. *IMPACT ON SMALL BUSINESSES:*

*INDICATE ANY IMPACT THAT THE RULE WILL HAVE ON SMALL BUSINESSES (EXCLUDING IMPACTS INCIDENTAL TO THE PURCHASE AND PAYMENT OF GOODS AND SERVICES BY THE STATE OR AN AGENCY THEREOF):*

The wetland complex is located entirely on public land within the Green Mountain National Forest; no small businesses will be impacted by the amended rule.

7. *SMALL BUSINESS COMPLIANCE: EXPLAIN WAYS A BUSINESS CAN REDUCE THE COST/BURDEN OF COMPLIANCE OR AN EXPLANATION OF WHY THE AGENCY DETERMINES THAT SUCH EVALUATION ISN'T APPROPRIATE.*

Small businesses will not be impacted by the amended rule.

8. *COMPARISON:*

*COMPARE THE IMPACT OF THE RULE WITH THE ECONOMIC IMPACT OF OTHER ALTERNATIVES TO THE RULE, INCLUDING NO RULE ON THE SUBJECT OR A RULE HAVING SEPARATE REQUIREMENTS FOR SMALL BUSINESS:*

The Beaver Meadows wetland complex is currently a Class II wetland regulated by the Vermont Wetland Rules. The rule change will prevent development and other activities from occurring within the wetland unless the activity is exempt from the rule, an allowed use, or the activity is necessary to meet a compelling public need to protect public health or safety. Without a rule change, the wetland will retain its Class II

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status, and some development may occur in the wetland, although the wetland complex is located within the national forest, and very little development is currently permitted in the area. The Class II status allows for some development of the wetland so long as impacts are mitigated. Since some of the functions of the proposed Class I wetland are irreplaceable, it would be impossible to permit some activities within the wetland if the losses could not be mitigated. Amending the rule to give the wetland Class I status will provide all landowners, present and future, with clear guidance regarding the development potential of the subject properties. Additionally, the proposed rule providing Class I protection to the wetland will guarantee that the wetland continues to provide its irreplaceable functions and values into the future.

Although the functions and values provided by the wetland complex constitute "free" ecosystem services, they are important to the economy of Vermont. A recent study from the Gund Institute at the University of Vermont found that large intact wetlands and floodplains prevented over 1.8 million dollars in damages to the town of Middlebury during tropical storm Irene, which is up to 78% of the potential damages. Hunting, fishing, hiking and sightseeing are all popular activities in the State which contribute to the quality of life of citizens and contributes considerably to tourism. A 2015 study conducted by Responsive Management for Vermont Fish and Wildlife found that a large majority of citizens surveyed believe it is very important that people have the opportunity to participate in wildlife related recreation in Vermont and a large majority (75%) disagree that economic development is more important than wildlife.

In the alternative, if the rule is not amended, there may be potential minimal economic benefit from any future expanded development into these wetlands. But this would occur at the expense of the protection of wetland resources, particularly those irreplaceable resources provided by the proposed new Class I wetland.

9. **SUFFICIENCY:** *EXPLAIN THE SUFFICIENCY OF THIS ECONOMIC IMPACT ANALYSIS.*

The above economic impact analysis reviewed all potential economic impacts that could result from the rule change, both positive and negative, and determined the rule change will result in a net economic benefit to affected parties and the state of Vermont.