



# WEEKLY LEGISLATIVE REPORT

April 10, 2015

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## The Eye of the Legislative Hurricane

This week, the legislature has been working in the lull between the frenzy of getting bills out of committee in time for Crossover – and, thus, consideration by the House of Senate Bills (and vice versa) – and the tumult that signals the end of the session. Committees in both chambers are currently considering bills that have just arrived before them. Their members will make changes that address new information, outstanding concerns, and different priorities on a host of issues.

During the next few weeks, watch this *Report* and Legislative Alerts via your electronic mailbox for timely developments on legislation. It will be particularly important to contact your legislators promptly if we ask for your help, as bills traditionally begin to move much more quickly during the part of the session.

Some of the legislation addressing municipal priorities and their committee location as of today include:

House and Senate Bills	Location
H.35 (water quality)	Senate Natural Resources and Energy
H.36, H.198, H.295, H.350, H.493 (solid waste)	House Natural Resources and Energy
H.96, H.100, H.199, H.276, H.341, H.358, H.360, H.377, H.455 (siting of electric generation facilities)	House Natural Resources and Energy
H.217 (connections to municipal water and wastewater systems)	Senate Natural Resources and Energy
H.259 (urban construction soil disposal)	Senate Natural Resources and Energy
H.361 (education funding)	Senate Education
H.367 (ten-year term for municipal plan adoption)	Senate Rules
H.488 (transportation capital bill)	Senate Transportation
H.490 (appropriations)	Senate Appropriations
H.492 (capital bill)	Senate Institutions
S.29 (same-day voter registration)	House Government Operations
S.32, S.39 (solid waste)	Senate Natural Resources and Energy
S.48, S.85 (siting of electric generation facilities)	Senate Natural Resources and Energy
S.94 (appointment of clerks and treasurers)	Senate Rules
S.114 (Open Meeting Law)	Senate Rules

The *Weekly Legislative Report*, a publication of the Vermont League of Cities and Towns, is issued each Friday during Vermont's legislative session.

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## Promoting Economic Development in Vermont

On March 24, Speaker of the House Shap Smith took the highly unusual step of testifying before a House committee. By so doing, he emphasized the importance he attaches to encouraging economic development in Vermont. In January he asked for new ideas by saying, “Vermonters want a business environment that fosters sustainable, good paying jobs that reward employers and workers alike. I have instructed the [House] Commerce Committee to explore policies that support and nourish Vermont businesses. It is my hope that public input will supplement their work and drive the agenda forward.”

He then presented the [responses to his inquiry about economic development ideas](#) to the committee. Paul Ralston, a former member of the House Commerce Committee and current entrepreneur, also spoke about [his participation on the speaker’s Economic Development Proposal Review Group](#). Similarly, the lieutenant governor hosted the first of a series of “Vermont Economy Pitches” on the first day of the session to generate ideas for encouraging economic development.

As a result, four bills – three in the House and one in the Senate – were introduced to address economic development. One of them, S.138, a very watered down economic development bill, was introduced by the Senate Economic Development, Housing and General Affairs Committee as an omnibus economic development committee recommendation.

Several of the committee’s proposals would address development concerns in designated downtowns, growth centers, new town centers, and industrial parks subject to Act 250 “umbrella permits.” A developer or municipality may apply for an umbrella permit for an industrial park. Under that permit, larger issues are addressed for the entire property and do not need to be revisited when an actual development is proposed for the industrial park. S.138 would amend requirements for designating a new town center so that a municipality would qualify for the designation if it can show that civic and public buildings as well as publically-owned structures or facilities devoted to community use already exist or will eventually exist. It would clarify that projects in industrial parks subject to umbrella permits would not have to get a permit amendment if:

- they comply with the umbrella permit;
- the town has a land use plan and zoning and subdivision bylaws in place; and
- the project complies with both a municipal zoning permit and required Agency of Natural Resources permits.

The bill would allow a regional development corporation to designate an enterprise zone of properties suitable for manufacturing after consultation with regional and local planning commissions and a public process. It would direct the Natural Resources Board to revise its new procedure for addressing [Act 250 criterion 9L](#), which was passed last session to limit very broadly defined “strip development” and encourage development in “existing settlements” (i.e., compact village and urban centers surrounded by rural countryside), as well as provide additional outreach and education on criterion 9L. It would expand existing exemptions from Act 250 for mixed use and mixed income housing projects in designated downtowns to growth centers and allow low impact manufacturing to be eligible for the mixed use designation.

The bill as introduced would also:

- create an “angel investor” tax credit for someone who invests venture capital in qualifying businesses;
- create a millennial enterprise zone tax credit for creating high paying jobs in information technology and related fields;
- expand affordable housing tax credits;
- create a Domestic Export Program for connecting Vermont producers with brokers, buyers, and

distributors in other markets

- call on the Department of Financial Regulation and Agency of Commerce and Community Development to conduct a study of peer to peer lending and investment to link existing entrepreneurs with emerging entrepreneurs;
- strengthen the Vermont Scholars Program; and
- provide additional funding for tourism and marketing.

Most of those proposals were stripped from the bill this week, leaving items such as the peer-to-peer lending study, and guidance on the Act 250 9L provisions adopted last year. Seven new amendments, some of them only tangentially related to economic development, will be proposed on the Senate floor today, after which the bill will be sent to the House, where the Commerce Committee has been working on its own economic development bill, H.124.

Over the past several weeks, the committee has been taking testimony to evaluate what provisions should be included in the bill. How its members incorporate S.138 and whether the resulting combined legislation addresses the ideas and proposals identified by the initiatives of the speaker or lieutenant governor remains an open question. Local officials should keep a weather eye on the progress of both pieces of legislation as the session winds down and let their representatives know that their actions should be guided by the principles set forth in our 2015 Municipal Policy (Sections 4.03 E and G), which calls on the legislature to:

- Enable municipalities to establish incentives and requirements to develop housing and encourage economic development that allows people to stay in Vermont; and
- Establish additional state programs that are easy to implement, provide incentives to municipalities and fund municipal infrastructure necessary to support real estate based economic development.

What does all this boil down to? Whether the economy is healthy or not, whether it attracts new participants or not, and whether it sustains our population or not, are defining issues for cities, towns and villages.

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## Urban Construction Soil Disposal

H.269 is a bill that would address the disposal of soils that are excavated during downtown or urban construction projects and eliminate a barrier to flexible handling of them once they are excavated from a development or redevelopment site. It has already been approved by the House and now is being considered by the Senate Natural Resources and Energy Committee. Under state law, polycyclic aromatic hydrocarbons, arsenic, lead, and other heavy metals may be considered hazardous materials. Those constituents can be found in the environment as a result of exhaust from incomplete combustion of hydrocarbons including oil, gasoline, coal, wood, and solid waste. As well, arsenic, lead, and other heavy metals can be naturally occurring components of soil.

Redevelopment and development of properties in downtowns and village centers often results in the need to relocate soils that have been removed for foundations, footers, and structures such as parking garages. Current law frequently requires that those soils be treated as solid wastes and trucked long distances to landfills (such as the one in Coventry, Vermont) because the soil includes low background levels of the potentially hazardous materials noted above. Surrounding soils, which are not excavated as part of the project, are likely to contain the same background levels of those materials, but because they are not being disturbed, no requirement to move them or give them special treatment is triggered.



The expense of handling such soils can add tremendously to overall project costs. As all local officials who are involved in trying to revitalize their downtowns and village centers are aware, impediments to redeveloping in thickly settled areas are already significant despite state policy that encourages compact settlements surrounded by rural countryside.

H.269 would establish a process for finding suitable alternative locations and management protocols for excavated soils with low background levels of those regulated constituents until the Secretary of the Agency of Natural Resources adopts rules addressing the management of those soils. Local officials, particularly those undertaking redevelopment projects in urban areas, should urge their senators to pass H.269.

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### **House Keeps Teacher Contract Resolution Status Quo**

[H.76](#), a bill that started out imposing binding arbitration to settle disputes between elected school boards and the teachers' union, was defeated yesterday. The Education Committee proposed to amend H.76 to prohibit teachers' strikes and school boards from imposing a contract on a teacher collective bargaining unit after negotiations fail to result in a contract and included penalties on both parties if they did not agree. After the bill was then amended to study the issue further, it was finally killed by the House, being denied a third reading (or final approval) on a 43-104 vote. That means that teacher contract disputes will be allowed to continue to devolve into strikes and board unilateral imposition of contracts. It also means that this bill will not result in third-party individuals (arbiters) making decisions affecting personnel costs that amount to 80 percent of school costs.

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