



PREAMBLE

Federal, state, and local levels of government must cooperate in order to deliver services effectively and efficiently. Local governments need sufficient revenues to provide essential services to their citizens. Local governments are able to fulfill their responsibilities when state and federal laws, policies and programs allow municipalities to solve their problems and meet their needs. Local governments must be given the authority necessary to govern. To these ends the federal and state government must:

- fund mandates;
- reverse the trend of pre-empting local government actions;
- assure that local government may enact innovative legislative measures without seeking state legislative approval;
- halt the shift of requirements and unfunded mandates to the local level as a result of changing federal and state priorities and declining budgets;
- guarantee transparency in state and federal revenue raising and expenditure practices; and
- provide all municipalities the opportunity to raise revenues from sources other than the municipal property tax.

We who administer, legislate, and raise revenues at the local level believe that our service to the citizenry is most in tune with the needs of the community because we are accessible. We ask that the Vermont Legislature and state government, as well as the Vermont Congressional delegation, join with the Vermont League of Cities and Towns to strengthen and streamline the administrative, fiscal, and policy relationship among the three levels of government.

Where this Municipal Policy is silent on a public policy issue affecting municipal government, it shall be the position of the Vermont League of Cities and Towns to support provision of authority, autonomy, and resources to cities and towns.

1.0 FINANCE, ADMINISTRATION AND INTERGOVERNMENTAL RELATIONS

1.01 EDUCATION FUNDING

Given the facts that:

- Education finance is largely being controlled by the state,
- Each year the state has raided the Education Fund, with this year being the largest raid yet,
- For next year, there is already discussion of even greater raids on the Education Fund, and
- While this is happening, local officials continue to spend significant time trying to understand, explain and implement the education finance system,

VLCT recommends the creation of a new education finance system that takes into consideration both the Brigham decision and the lessons of the past 11 years. Local officials are willing to assist in the creation of a new system, provided that such efforts will be taken seriously by the administration and the legislature.

1.02 STATE PAYMENTS IN LIEU OF TAXES (PILOT) PROGRAMS

The state should fully fund all state payments in lieu of taxes (PILOT) programs (including for state buildings, Agency of Natural Resources land, capital city and Corrections Department facilities) on an ongoing basis. The state must expand PILOT to include all state lands and must value state buildings at full fair market value and all state land in accordance with local land schedules for PILOT purposes. Until proceeds from the local option taxes fully fund the state buildings PILOT, the state General Fund must fund any remaining balance and all other PILOT payments.

1.03 LOCAL OPTION TAXES

The legislature should enable all cities, towns and villages to adopt consumption taxes, sharing a portion of the proceeds with other municipalities.

1.04 UNFUNDED MANDATES

The state should provide reimbursement for state mandates on local governments. The Joint Fiscal Office must prepare and make public a fiscal impact statement showing the administrative and implementation as well as service costs imposed on local governments before any state legislative or administrative action affecting them can be approved.

1.05 PUBLIC RECORDS LAW UPDATE

With significant input from local officials, the legislature should update all Vermont statutes concerning public records, reflecting changes in technology as well as in other areas. Such amendments must continue to balance the public's need for and its right to more accessibility to public information with the municipalities' ability to store, process and make them available, and with individuals' privacy concerns.

1.06 ADVISORY COMMISSION FOR INTERGOVERNMENTAL RELATIONS (ACIR)

The legislature should establish an Advisory Commission on Intergovernmental Relations with authority to draft and recommend legislation designed to resolve issues between Vermont state and local governments. Such commission should include equal representation by local government officials.

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1.07 ELECTION LAW CHANGES

The state should reimburse municipalities for any local costs for implementation of any state election law changes (including voter and election official education), as well as subsequent administrative or technological costs. The implementation of any election law changes must also satisfy the requirements of local election officials to have an election system that functions smoothly and effectively on election day.

1.08 MUNICIPAL AUTHORITY

Join 42 other states in enacting a constitutional “home rule” amendment as follows: “A city, town or village shall have the power, through approval by a majority of its voters, to adopt, amend, and repeal a charter of incorporation. A charter may authorize the municipality to exercise any legislative power or perform any function not specifically prohibited by the Vermont Constitution or general law. The powers and functions granted to cities, towns and villages under this section shall be liberally construed.”

1.09 OTHER PRIORITIES

In addition to the six priority issues listed above, VLCT also supports legislation that would accomplish the following:

- A. Require the state to reimburse municipalities for all state-mandated property tax exemptions. Until then, voters should have the authority to impose municipal service fees on those properties exempted by the state.
- B. Enable cities and towns to adopt ordinances that deny local permits and licenses to applicants who are in violation of specified city and town ordinances.
- C. Require municipal ratification of the county budget.
- D. Allow local voters to apply the delinquent property tax penalty to late installments.
- E. Allow local liquor/tobacco and domestic pet license fees to be set and retained locally.
- F. Allow municipalities to charge “rights of way” fees for the use of public property.
- G. Require that all state rules, regulations, criteria and other administrative actions that have an impact on the operations of local government be implemented only after 30 days have passed since a publicly noticed hearing.
- H. Clarify the tax status of cable television personal property and designate cable company lines, poles and associated structures as real property for purposes of property tax assessment.
- I. Require the state to notify listers of all businesses being conducted in town for education grand list maintenance.
- J. Expand the state and local option sales tax to service transactions currently exempt from the tax.
- K. Grant all municipalities the right to adopt exemptions or expansions of general law granted to individual charter municipalities, except those that relate to taxation.

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- L. Assure that the legislature increases existing or imposes new state agency fees assessed against municipalities only when the agency can show a comparable increase in the costs, quality or quantity of the services provided.
- M. Develop a uniform definition of residency for all state and local government purposes.
- N. Restore to towns the authority to determine which generally accepted appraisal method to apply to subsidized rental housing and owner-occupied residences subject to a housing subsidy covenant for municipal taxation purposes.
- O. With guidance from local officials, comprehensively rewrite the municipal financial management statutes.
- P. Uniformly indemnify municipalities in all state grant and loan agreements to clarify that the state is liable for any actions it takes in providing the funds or in conducting the work funded.
- Q. Create a local government investment pool.
- R. Towns are not forced to take over any non-municipal cemeteries.
- S. Require the House Ways and Means and Senate Finance committees to review all local fees set in statute in conjunction with their periodic review of state fees. The review should include significant local input.
- T. Enable towns to bill and collect from the state the costs associated with mandating inclusion of its notices or other inserts in town tax bills or other mailings.
- U. Investigate and implement a simple mechanism to exempt resident property tax owners with high unearned income or high assets from receiving a property tax adjustment.

2.0 TRANSPORTATION

2.01 PRIORITY ISSUES FOR IMPLEMENTATION

- A. Prevent any and all cuts to Town Highway Aid payments, Class 2 Paving and Town Highway Structures grant programs, and the Town Highway Bridge Program.
- B. Stop the transfer of money that is not specific to transportation matters from the Transportation Fund.
- C. Index taxes and fees for inflation or convert tax rates to a percentage of fuel prices. Increase state Transportation Fund tax rates and/or fees, including gas and diesel taxes, motor vehicle and truck fees, and other revenue sources.
- D. Develop alternative or innovative funding sources, including local option taxes with revenue sharing provisions, user fees, and revenue from General Fund sources.
- E. Expand the use of bonding as an option for funding long-term capital improvements.
- F. Commit the funding necessary to maintain, repair, and replace the hundreds of structurally deficient bridges throughout Vermont.
- G. Develop a block grant-style program that allows for federal and state funding of local projects to flow directly to the local level. Such projects would be managed by local government, which would have the

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responsibility to see the project through to completion. Allow for an audit of any project funded through the program, but eliminate any other unnecessary levels of review. Pilot projects should be considered for funding in the next state fiscal year.

2.02 FUNDING PRIORITIES

- A. Increase funding for the Class 2 Roadway Program, which allows for the greatest local management of projects.
- B. Increase state funding and expand eligibility for the Town Highway Bridge Program.
- C. Ensure that the level of funding for the Town Highway Emergency Fund is sufficient to cover costs incurred by municipalities as the result of natural or manmade disasters.
- D. Increase state funding for Class 1 local highway rehabilitation or construction.
- E. State aid for Class 2 town highways should account for “lane miles.”
- F. VTrans must partner with municipalities and other agencies to enhance the asset management/project priority program to insure the importance of local and regional priorities and the participation of local officials in selecting projects.
- G. Amend state statutes to reflect federal reimbursement levels for placing aerial utilities underground when working on major reconstruction projects in historic districts, downtowns and designated scenic byways.
- H. The state must reimburse municipalities for the cost of moving water and sewer infrastructure for projects it mandates and/or manages.
- I. Municipal membership in Regional Public Transportation Districts (RPTDs) must be pursuant to a municipal vote to join or leave. RPTDs should not be authorized to levy any taxes on municipalities.
- J. Increase state funding for public transit providers.
- K. The state should provide more “park and ride” lots, subject to local regulation, and continue to upgrade existing lots while providing for long-term maintenance.
- L. The state should install traffic signs and signals on Class 1 town highways.
- M. Restrict the Enhancement Program to projects that are tied to the actual transportation of people and goods.
- N. Enable local governments to install cameras at traffic lights. Direct revenues from fines from the use of that technology to host local governments.

2.03 STATE AND LOCAL COOPERATION

- A. Redesign the Local Transportation Facilities Division (LTF) program to maximize efficiency and minimize redundant review while allowing for the increased local management of projects.
- B. Expand the District Transportation Administrators’ (DTAs’) flexibility and authority to work with local governments to provide technical assistance in implementing transportation projects.

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- C. Increase coordination and communication among all divisions at VTrans to assure that oversight of a municipal project is not duplicated.
- D. VTrans should continue to work with the various state permitting agencies, especially the Agency of Natural Resources, to expedite the permitting process and tailor it to the size and impact of a project so as to efficiently implement local transportation projects.
- E. Perform a comprehensive review of VTrans' interpretation and implementation of federal standards, policies and guidelines to ensure that they do not vastly exceed minimum federal requirements. This should be done in a cooperative manner allowing for local and regional participation, with the goal of reducing project costs and the time needed to complete them.
- F. Eliminate Act 250 review of town highway maintenance and reconstruction projects, and nullify existing Act 250 permits for maintenance and reconstruction projects.
- G. Revise existing road design and traffic standards to better define village areas and better respect the complex traffic and infrastructure needs of Vermont's villages and downtowns.
- H. The state should share VTrans' facilities and other resources (such as purchasing contracts) with municipalities.
- I. The state should expand its line painting operations on Class 2 highways to include the painting of all other lines upon the request of a municipality when center and lane lines are being painted. Those lines should be painted annually. Municipalities that request that service will reimburse the cost of painting those lines.
- J. Modify the billboard law so that municipalities may hang temporary banners within the state highway right-of-way advertising events and activities.
- K. Establish fines and penalties for illegally possessing municipal road signs, signals or markings.

2.04 COMMERCIAL VEHICLES

- A. Municipalities must retain their permit issuance authority over all overweight vehicle traffic on local roads and the authority to set their fees. The state must subject commercial agricultural vehicles and custom agricultural service vehicles to local overweight permitting regulations.
- B. The state should establish a permanent fund for the repair of town roads damaged by agricultural service vehicles, which are exempt from having to obtain local overweight permits. If these vehicles are locally permitted, municipalities should be authorized to fine vehicle owners for violating those permits.
- C. Allow overlength truck travel only through single-trip permits.
- D. The legislature should instruct VTrans to work with the federal government to set weight limits on interstate highways consistent with existing state highway weight limits.

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2.05 ALTERNATIVE TRANSPORTATION AND RAILROADS

- A. The state should advocate revising and relaxing federal standards for bicycle path and sidewalk construction for projects funded primarily with federal dollars. To avoid additional cost and time, the state should fund such projects without federal funds.
- B. Spend funds allocated for rail or related projects solely on those projects.
- C. The state should revitalize interstate and intrastate freight and passenger rail service and encourage appropriate siting and relocation of rail yards.
- D. Encourage intermodal rail facilities.
- E. Rail networks need to accommodate double-stack trains. Intermodal freight transfer centers must be established at entry points to the state.
- F. When selecting and developing transportation projects, the state must address access to commercial airports.
- G. The legislature should establish a state funding source, such as a revolving loan fund or grant program similar to the Class 2 Paving and Rehabilitation program, for the construction and repair of municipal sidewalks.

3.0 PUBLIC SAFETY

3.01 PRIORITY ISSUES FOR IMPLEMENTATION

Vermont's local public safety officials join with all municipal officials in calling for the legislature to:

- A. Prohibit cost shifts and mandates to municipalities in the area of public safety unless the state provides full reimbursement.
- B. Require the state to provide the best training programs, at an affordable rate, for all levels of public safety personnel.
- C. Enact primary enforcement of the seat belt law.
- D. Charge the Law Enforcement Advisory Board with developing innovative and cost-effective models for collaboration between state police, sheriffs and municipalities.
- E. Establish a statewide police retirement system that is applied consistently to all police officers and funded partly by the state.

3.02 PUBLIC SAFETY FUNDING

- A. Provide municipal law enforcement agencies the authority to recover any costs associated with complying with any federal, state or court-ordered licensing, registration and testing requirement.
- B. Fully fund and identify the transportation and housing needs of all prisoners, including those juveniles or individuals who are mentally ill or drug and/or alcohol impaired and who present a danger to themselves or the public.

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- C. Reimburse municipalities on a sliding scale (e.g., 100 percent if hired within one year of graduation from the Academy, 75 percent for two years, 50 percent for three years) for the costs of training law enforcement officers who are hired by the state police.
- D. Compel the state to reimburse municipalities for costs of providing emergency medical services for all persons lodged in state-owned facilities, including those who are incapacitated.
- E. Extend availability of state funding for the operation of public safety answering points (PSAPs) to municipal PSAPs in an amount proportional to the volume of E-911 calls processed by each PSAP.

3.03 PUBLIC SAFETY TRAINING

- A. Provide the Fire Academy adequate and stable funding for certified training programs for all full-time, part-time and volunteer firefighters. The state must also provide adequate resources (manpower, equipment, etc.) to support the certified training activities.
- B. Adequately fund the Criminal Justice Training Academy (the Academy). Provide funding to stimulate participation in in-service training programs sponsored by the Criminal Justice Training Council, including supervisory training.
- C. Increase the state generated portion of civil fines that are deposited in the Criminal Justice Training Council Special Fund.
- D. Provide appropriate, affordable training for all public safety personnel and provide implementation funds for any training requirements mandated for local first responders.
- E. Provide tuition credits to municipalities that contribute employees to instruct and/or act as training assistants at the Academy.
- F. Include all users of the Academy in any efforts to review and/or reorganize the structure and funding for local first responder provider training.
- G. Amend 20 V.S.A. Chapter 151 to provide more municipal representation on the Criminal Justice Training Council.
- H. Enable the Criminal Justice Training Council to decertify law enforcement officers who are dismissed for cause.

3.04 PUBLIC SAFETY EMERGENCY RESPONSE

- A. Involve relevant local personnel in discussions about any changes in laws or regulations governing how local public safety personnel respond to emergency incidents, particularly those involving hazardous materials.
- B. Support and adequately fund development (with municipal participation) of an early warning system for hazards, pandemics and public safety emergencies.
- C. Develop an emergency response fund to cover non-transportation-related disaster recovery costs incurred by local governments that do not meet the Federal Emergency Management Agency (FEMA) thresholds.

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- D. Establish an electronic information system to provide public safety and emergency management personnel the correct information at the right time for the right purpose.
- E. Develop a contingency fund to provide the state match required to requisition FEMA disaster funds.
- F. Support the continued development and sustainability of an interoperable communications system that allows all emergency service agencies and personnel to communicate with one another in emergency situations. Develop the system in an efficient and cost-effective manner, and not as the result of an unfunded mandate.
- G. Provide seed funding to create a model program for regional dispatch services.

3.05 YOUTH

- A. Increase state resources for intervention, prevention and recovery programs for youth.
- B. The legislature should strengthen graduated driving license requirements. It should provide that sanctions levied upon a driver under 18 who has been charged with a motor vehicle violation should continue past the driver's 18th birthday until the case is adjudicated.

3.06 CORRECTIONS COMMUNITY

- A. Ensure open channels of communication so municipal officials have information necessary to address the needs of offenders and their communities, as well as to provide feedback to the Department of Corrections (DOC) regarding impacts to the community.
- B. The DOC must provide municipal officials with the opportunity to participate in decisions concerning the number and type of offenders supervised in a community.
- C. Provide funding to ensure that offenders housed in community settings receive adequate supervision by DOC personnel and adequate support services. This must include juveniles and individuals with mental illness or drug or alcohol dependencies.
- D. Include the local public safety community in decisions about placing individuals under DOC supervision in proposed host municipalities. The DOC must respect municipal zoning in approval of housing for offenders, especially as it pertains to use of motels.
- E. Define the residency of prisoners as their last legal address prior to incarceration and release them to that community.

3.07 USE OF CELL PHONES IN MOTOR VEHICLES

- A. The legislature should ban hand-held cell phone use while operating a motor vehicle for all drivers.

4.0 QUALITY OF LIFE AND ENVIRONMENT

4.01 HEALTH CARE

Our health care system needs to be of high quality, affordable and accessible. The current fee for service health care payment system will not accomplish this goal. Meaningful and sustainable reform must occur at the federal level. Until the federal government establishes a comprehensive solution to fund and deliver

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health care to accomplish the goals of a quality, affordable and accessible health care system in the most efficient way, the state should:

- Avoid and/or reduce cost shift from Medicaid.
- Not burden the association market with merging with the individual market.
- Avoid adoption of mandates.
- Not add requirements that result in less competition among health insurers in the state.

4.02 HOUSING

- A. Individuals at all income levels must have access to adequate housing options. Programs, regulations, and additional incentives should be enacted to encourage the development of mixed income housing in areas that are accessible to jobs and at densities designated by a municipality as appropriate. Incentives and programs should be directed not only to designated downtowns, village centers, new town centers, or growth centers but also to other areas that are accessible to jobs.

4.03 ACT 250 AND STATE PERMITS

Vermont municipalities support efforts to make the permit process more efficient. The following principles should guide those reform efforts:

- A. Consolidate, coordinate and expedite all state permit processes required for municipal projects.
- B. If a local or state permit decision is made subsequent to appropriate hearing and review, issues addressed in that decision should not be revisited in another forum such as Act 250.
- C. Define “local impact” and “regional impact” in Act 250.
1. The legislature and Natural Resources Panel should comprehensively examine Act 250 jurisdiction over projects with local and regional impacts in light of progress made in municipal and regional land use planning and regulation since 1969 when Act 250 was first enacted. Such evaluation should include recommendations for jurisdictional thresholds and levels of review that are commensurate with the potential impact of a project.
 2. Under Act 250, eliminate Act 250 review of projects with local impact in municipalities that have duly adopted municipal plans approved by the regional commission and zoning and subdivision regulations in place, if the local legislative body votes to eliminate such review.
 3. Provide for regional review of projects that are regional in impact and expected to have some effect on regional interests if a regional plan is in place that has been adopted by the regional commission governing body.
 4. Provide state-level review of projects that are clearly state-wide in impact.

4.04 GROWTH AND LOCAL LAND USE

The state must provide local governments the authority as well as financial and technical resources to manage growth and land use in their municipalities. All state programs must provide strong incentives and regulatory relief to encourage growth in tax increment financing districts (TIFs), designated downtowns, new town centers, village centers, growth centers, in Vermont Neighborhoods and as appropriate, on remediated brownfield sites.

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- A. Allocate one-half of all property transfer tax revenue in excess of that generated by a tax rate of one-half percent to cities and towns for municipal planning purposes, as stipulated in Act 200.
- B. Clarify the definition of “scattered development” to ensure that development in locally planned growth centers and designated downtowns, new town centers or village centers is permitted.
- C. Enable municipalities to regulate the siting and location of agricultural and silvicultural facilities, (24 V.S.A. § 4413 (d)) including construction and use of farm structures, through zoning bylaws.
- D. Federal and state governments must assure the appropriate location of facilities they own or lease in downtowns in compliance with municipally adopted and approved plans. The state should provide a master management plan for all structures it owns or leases.
- E. Strengthen municipal authority to regulate sexually oriented businesses consistent with the United States Constitution and current case law interpretation.
- F. Enable municipalities to establish incentives and requirements to develop affordable housing for all consumers that allows individuals and families to stay in Vermont and that encourages economic development.

4.05 SOLID WASTE AND WASTEWATER

- A. Hold municipalities harmless from liability for hazardous materials incidents at facilities permitted by municipalities that conform to all state and federal regulations.
- B. The State of Vermont Solid Waste Management Plan should be flexible, and enable local governments to determine the most appropriate collection, storage and treatment methods for sewage, solid waste, wastewater and recyclables.
- C. Issue solid waste, water supply, wastewater and stormwater facility permits and certifications in a timely manner and regulate the entire treatment process in a single permit. Issue permits for facilities based on the useful life or capacity of the facility, not in five year increments.
- D. The Agency of Natural Resources should relinquish all involvement in allocating municipal water or wastewater resources, including charging of permit fees.
- E. When municipalities acquire sites at tax sale or when they act as a lien holder of a site that is known to be contaminated, they shall not be held civilly or criminally liable for hazardous contamination at the site at time of acquisition.

4.06 WATER RESOURCES

- A. The state should provide financial and technical support to municipalities in order to implement the Clean Water Act through locally appropriate watershed plans and stormwater management provisions that promote the health of both the economy and environment.
- B. Clarify that the highest priority use of Vermont water resources is to provide clean and sufficient supplies of public drinking water.
- C. The Agency of Natural Resources and Legislature must assure that adopted total maximum daily loads (TMDLs), which have been approved by the federal Environmental Protection Agency and their implementing regulations are not redefined so as to impose substantial new costs on municipalities that

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provide only minimal new benefits to the watershed and substantial impediments to growth in our historically settled areas, designated downtowns, village centers, growth centers and new town centers. Requiring municipalities to bear the burden of cleaning up phosphorus discharges to Lake Champlain by increasing restrictions on wastewater treatment facility discharges is not an effective means of reducing phosphorus discharges to the lake. Concentrate Agency of Natural Resources and state efforts on reducing stormwater runoff from non-point sources.

- D. The Agency of Natural Resources must use its newly acquired ticketing authority to enforce the provisions of the wastewater system and potable water supply program, including requirements for repairing or replacing failed systems.

4.07 AIR QUALITY AND ENERGY CONSERVATION

The state and federal governments need to work with local governments to assure them the financial capacity, flexibility and broad statutory authority to implement energy conservation policies and innovative alternative energy projects that will save money at the local level, reduce reliance on fossil fuels and reduce greenhouse gas emissions.

The Vermont Legislature should:

- Encourage recreation path, sidewalk and bicycle lane development as well as public transit and alternative transportation options. Specifically direct VTTrans to streamline those programs and to aggressively pursue federal incentives for project implementation;
- provide ongoing support to municipal efforts to reduce reliance on fossil fuel in both transportation and heating arenas;
- provide ongoing and significant support for smart growth development;
- enable municipalities to purchase streetlights.

4.08 PUBLIC HEALTH

- A. Reinstating the Health Department's program to support Town Health Officers in their broad range of current statutory responsibilities. Amend Title 18 chapter 11 to require the local legislative body to directly appoint a Town Health Officer.
- B. Reinstating the Health Department's program to support Town Service Officers. Assure that resources are available to the Commissioner of the Department for Children and Families to provide services for persons in need of general or emergency assistance upon the referral of the Town Service Officer.