

Advocacy Updates: Municipal Capacity, Revenue, and Governance

VLCT has identified capacity, revenue, and governance as a key topic to follow during the 2024 legislative session. Check back for the latest updates on this issue. Or, view our [Weekly Legislative Reports](#) page to see everything we're following.

VLCT's overarching [Legislative Priorities](#) are to expand the capacity of and increase revenue for local government. The ever-increasing responsibilities of local government and lack of state funding necessary for effective municipal governance demand legislative action. Several bills being discussed this session have the potential to support our efforts or, as noted in the issues discussion below, further strain local government.

[Tax Abatement and Tax Sales, Statewide Auth of Local Option Taxes, Remote Open Meetings – May 3, 2024](#)

H.629, Changing Municipal Tax Abatement and Municipal Tax Sales Procedures, Passes Both Chambers

The House concurred with the Senate-amended H.629, found on [page 764 of the Senate Journal](#), which included changes requested by VLCT. H.629 needs one more procedural vote and then will be referred to the governor for signature. As a refresher, the changes included returning the interest rate for properties purchased at tax sale back to 1% and removing the expensive and time-consuming Personal Service Requirement for municipalities conducting tax sales. Please see the most recent [Testimony to Senate Government Operations Committee on H.629 \(Tax Sales\)](#) for an overview of these concerns.

H.546: Conference Committee will Consider Statewide Authorization for Municipal Local Option Tax

[VLCT testified](#) this week in favor of statewide authorization of Local Option Tax, included in the Senate amended version of H.546, as recorded [starting on page 2141 of the 4/16 Senate Calendar](#). Unfortunately, the [House Ways and Means Committee](#) did not concur with the Senate-amended H.546 which included Section 20 stating “Local option taxes are authorized under this section for the purpose of affording municipalities an alternative method of raising municipal revenues, if the legislative body of a municipality by a majority vote recommends, the voters of a municipality may, at an annual or special meeting warned for that purpose, by a majority vote of those present and voting, assess any or all of the following: a one percent sales tax; a one percent meals and alcoholic beverages tax; a one percent rooms tax.”

A Committee of Conference has been established to reach agreement on the House and Senate differences over H.546. **Please let the Conference Committee members, listed below, know your support for the statewide authorization of Local Option Tax. This provision is an important step to providing equity to all of Vermont’s municipalities.** Please review [VLCT’s latest testimony](#) for additional reference on the benefits and justification for Local Option Tax authorization at this time.

[Rep. Emilie Kornheiser](#)

[Rep. Carl Demrow](#)

[Rep. Julia Andrews](#)

[Sen. Ann Cummings](#)

[Sen. Mark MacDonald](#)

[Sen. Thomas Chittenden](#)

Final Days for S.55, a Must-Pass Bill Making Changes to Open Meeting Law

VLCT [testified this week](#) on the [latest draft 4.1 of S.55](#). In an effort to help municipalities better operationalize and implement new provisions in the bill, VLCT continues to provide feedback to the [House Government Operations Committee](#), which has final possession of the bill. This is considered a must-pass bill, due to the remote or electronic meeting authorization expiring June 30, 2024. A number of state, regional, and local public bodies have influenced this bill, and it is considered a consensus bill. For some background, see this webpage’s updates from January 19, February 23, and March 1.

[Tax Abatement and Tax Sales, Statewide Authorization of Local Option Taxes – Apr 25, 2024](#)

House Likely to Concur with Senate-Passed H.629, Changing Municipal Tax Abatement and Municipal Tax Sales Procedures?

The full House is scheduled to vote on concurring with the Senate-amended H.629, recorded on [page 764 of the 4/18 Senate Journal](#), with changes requested by VLCT. The changes included returning the interest rate for properties purchased at tax sale back to 1% and removing the expensive and time-consuming personal service requirement for municipalities conducting tax sales. Please see Ted Brady's Testimony to Senate Government Operations Committee on H.629 (Tax Sales) for VLCT's most recent overview of these concerns.

Senate Likely to Approve Miscellaneous Tax Bill with Statewide Authorization for Local Option Tax, but Passage is Less Likely in House

New since our 4/19 update on this bill, the full Senate is scheduled to vote on the amended H.546 which includes [Sec. 20 on page 2148 of the Senate Calendar](#): "Local option taxes are authorized under this section for the purpose of affording municipalities an alternative method of raising municipal revenues, if the legislative body of a municipality by a majority vote recommends, the voters of a municipality may, at an annual or special meeting warned for that purpose, by a majority vote of those present and voting, assess any or all of the following: a one percent sales tax; a one percent meals and alcoholic beverages tax; a one percent rooms tax." Unfortunately, the provision creating a Local Government Revenue Working Group, which [VLCT testified](#) in support of, was removed due to the belief that this amendment satisfied the need.

The Local Option Tax authorization in H.546 incorporates [S.60](#) from the 2023 session, which also passed the Senate but died in the House. VLCT has long supported Local Option Tax authorization for all municipalities, if they so choose, giving them the ability to raise tax revenue and support the needs of residents. The House, and in particular the [House Ways and Means Committee](#), has been a roadblock to approval. **Please let your representatives on the House Ways and Means Committee know your support for this authorization.**

- Rep.? [Emilie Kornheiser](#), Chair
- Rep.? [William Canfield](#), Vice Chair
- Rep.? [Carl Demrow](#), Ranking Member
- Rep.? [Julia Andrews](#), Clerk
- Rep.? [Peter Anthony](#)
- Rep.? [Scott Beck](#)
- Rep.? [Carolyn Branagan](#)
- Rep.? [James Masland](#)
- Rep.? [Christopher Mattos](#)
- Rep.? [Carol Ode](#)
- Rep.? [Katherine Sims](#)
- Rep.? [Curt Taylor](#)

[Senate Passes Amended Tax Sales Bill; Statewide Local Option Taxes Possible – Apr 19, 2024](#)

Senate Passes Amended H.629, RE: Municipal Tax Abatement and Tax Sales Procedures?

The full Senate passed an [amended H.629](#) found on page 764 of the Senate Journal, which included changes requested by VLCT. The changes requested included returning the interest rate for properties purchased at tax sale back to 1% and removing the expensive and time-consuming Personal Service Requirement for municipalities conducting tax sales. Please see the most recent [Testimony to Senate Government Operations Committee on H.629 \(Tax Sales\)](#) for an overview of these concerns. If the House does not concur with changes made in the Senate, a conference committee will be formed to work out their differences.

Senate Finance Adds Statewide Authorization for Municipal Local Option Tax in the Miscellaneous Tax Bill

The Senate Finance Committee amended [H.546](#), adding Sec. 20 on page 2148 of the Senate Calendar, which reads:

Local option taxes are authorized under this section for the purpose of affording municipalities an alternative method of raising municipal revenues, if the legislative body of a municipality by a majority vote recommends, the voters of a municipality may, at an annual or special meeting warned for that purpose, by a majority vote of those present and voting, assess any or all of the following:

- (1) a one percent sales tax;
- (2) a one percent meals and alcoholic beverages tax;
- (3) a one percent rooms tax.

This amendment essentially incorporates [S.60](#) from last session, which passed the Senate but died in the House. VLCT has long supported local option tax authorization for all municipalities. Please let your representatives know your support for this authorization, as we suspect the [House Ways and Means Committee](#) will, again, be hesitant to approve this authorization.

[Municipal Tax Sales, Ethics, Budget, Communications Taxes, Libraries, Cancer in Firefighters – Apr 11, 2024](#)

Senate Government Operations Committee Makes Changes We Sought to H.629, a Bill Changing Municipal Tax Abatement and Municipal Tax Sales Procedures?

The Senate Government Operations Committee passed [Draft 1.4 of H.629](#) on a 6 to 0 vote out of committee on April 11. Our advocacy efforts, with your help, convinced this committee to address the remaining concerns in H.629. Our primary concern was reduction in the interest rate from 1% to .5% for investors that purchase properties at tax sale and the requirement for Personal Service of Tax Sale Notice. We believed, from talking with many Delinquent Tax Collectors, this will result in fewer investors interested bidding at tax sales and instead force municipalities to pay more delinquent property taxes to the state. This places a further burden on taxpayers who do pay their property taxes on time and takes away tools that help municipalities collect delinquent taxes.

The version that was passed out of committee raises the interest rate for properties purchased at tax sale back to 1% and removes the expensive and time consuming Personal Service Requirement for municipalities conducting tax sales. Please see our most recent [Testimony to Senate Government Operations Committee on H.629 \(Tax Sales\)](#) for an overview of these concerns, and please thank members of the [Senate Government](#)

[Operations Committee](#) for making these changes.

Municipal Ethics and Conflicts of Interest Bill Now Being Considered in the Senate Government Operations Committee?

VLCT continues stress its strong support for Municipal Ethics, but does not support the approach in [H.875](#) as passed the House. The Senate Government Operations Committee started to take testimony on H.875, including from [Ted Brady](#), on April 11. The Committee members seemed open to some of the changes requested by VLCT and stressed that they will make time for testimony from VLCT members and communities of all sizes as they consider this bill. The Secretary of State (SOS) also expressed concerns about the new training requirements and coordination with existing training. The Committee asked VLCT, SOS, and the State Ethics Commission to work on revisions to the training required in Section 22 §1995 and Section 23. VLCT's concerns are also summarized in [Ted's Testimony](#) from March 12. VLCT's bottom line: remove Section 22 § 1995-1997 and remove Section 23!

Senate Appropriations Moves Quickly to Finalize Changes to H.883 (FY25 Budget)

The Senate Appropriations Committee is racing through its work on [H.883](#), "the BIG BILL" or the FY25 budget bill. The committee is reviewing their priorities and the spending priorities of each Senate committee compared to the [House passed budget](#). In the [March 29 Advocacy Update](#), we provided a comparison of Governor Scott's proposed budget and the House-passed \$8.58B budget, highlighting the increase to the Town Highway Program. Unfortunately, this small but meaningful increase of \$1.9M to the \$100.6M in town highway aid was reduced in the Senate Transportation Committee when they reallocated \$1M of it to Green Mountain Transit.

The Senate Appropriations Committee will continue to work through each section of the budget highlighting differences such as the Transportation Budget and making their own [funding recommendations](#), including [priorities from Senate Bills](#) not included in the house version. The acceleration of work in the Appropriations Committee seemed to catch some Senate committee chairs off guard and unprepared to submit their funding priorities by the

new April 12 deadline, asking why so soon? Legislative leadership's reported adjournment goal of May 10 leaves the Senate only a few weeks to work through the many remaining funding decisions and allow time for the Conference Committee to work out the differences in the House and Senate budgets.

Concerns in H.546, The Miscellaneous Tax Bill and H.657, Communication Taxes and Fees Bill

The House-passed [H.546](#), the Miscellaneous Tax bill, has several provisions we are following. [VLCT Testimony to Senate Finance Committee](#) this week highlighted our concerns with Sections 6 and 7 that would repeal the \$15 penalty for late property tax credits and Section 8 that would require municipalities to accept the Department of Tax's valuation for utility transmission lines and infrastructure. VLCT continued to express our support for the Local Government Revenue Working Group in Section 13.

The Senate Finance Committee is also considering [H.675](#), an act relating to modernization of Vermont's communications taxes and fees. Section 10 places all communications property in the grand list as real estate, requiring the Division of Property Valuation and Review (PVR) to provide listers in each municipality with the valuation of all taxable communications property of any communications service provider. Communication providers have expressed opposition to this new taxing scheme and the requirement that they provide sworn inventory of all taxable communication property. The Vermont Assessors and Listers Association and PVR are scrambling to understand the implications and consequences of this significant change in taxing process for communication property. Early assessments are that it may increase municipal and state property tax revenue, as it puts these communications properties on the Grand List and no longer just paying corporate tax. However, there are real concerns about a lack of cost benefit analysis and the capacity to conduct this new valuation and assessment work. Aside from those concerns, VLCT opposes Section 13, which raids the PILOT Special Fund to fund the initial property valuation model for communications property.?

Library Modernization Bill

As reported in our March 29 update on this topic, the Senate passed an [amended Library Modernization and Protection Bill \(S.220\)](#). VLCT has been working with the Vermont

Commissioner of Libraries and the Vermont Library Association to make a small but meaning change to the governance and budgeting language in the bill which, as is, could add more confusion to the relationship between library trustees and selectboards. Section 5 of the bill may cause confusion with the additional language that municipal library trustees “shall have the power to establish a library budget.” Library trustees may propose their library budget to the selectboard, but the selectboard ultimately has control over the town meeting warning and proposed budget for the town, including what the library budget should be. While the trustees can make strong recommendations, they can’t force the selectboard to use the library trustees’ proposed budget. Some may interpret this to mean that the library trustees’ recommended budget to the selectboard must be accepted ‘as is’ by the selectboard for placement on the town meeting warning to be voted on by the town. We disagree with this interpretation, as the selectboard still controls the town meeting warning and the articles thereon. To avoid confusion, we have proposed this provision be changed to **“municipal library trustees shall have the power to establish a library budget for consideration by the legislative body of the municipality for inclusion in the municipality's annual budget.”** ?The Department of Libraries, Commissioner of Libraries, and the Vermont Library Association are all in support of our language proposal and plan to suggest the change during their next testimony. In addition, we all agreed to continue our governance conversation because much confusion exists with current statute around library trustees and selectboards.

H.55, Relating to Miscellaneous Unemployment Insurance

[Joe Damiata and Ted Brady provided testimony](#) to the Senate Committee on Economic Development, Housing and General Affairs related to provisions of [H.55](#) affecting firefighters. The comprehensive testimony highlighted the challenges of providing workers’ compensation to firefighters, covering cancer presumption claims, and the desire for cancer screening coverage. Joe stressed that any increased costs must be passed on to PACIF members and then collected back from them to offset any increase in expenses. VLCT stressed that containing costs, defining appropriate screening criteria, and caring for our firefighters should be a cost shared at the state level and not by just by our already cash-strapped municipalities.

Senate Government Operations Committee Continues to Discuss the Municipal Tax Abatement and Municipal Tax Sales Bill, H.629

The [Senate Committee on Government Operations](#) took additional testimony on [H.629 as passed by the House](#). As we have reported each week on this webpage, many of VLCT's original concerns with the bill as first introduced have been addressed. The remaining concerns are best summarized in Executive Director [Ted Brady's April 3 testimony](#) and include reducing the interest rate from 1% to .5% for investors that purchase properties at tax sale. We believe, from talking with many Delinquent Tax Collectors, this would result in fewer investors interested in bidding at tax sales and instead would force municipalities to pay more delinquent property taxes to the state. This places a further burden on taxpayers who do pay their property taxes on time and takes away tools that help municipalities collect delinquent taxes.

The committee also heard from [tax sale attorneys](#), who expressed the same concerns as VLCT, and from [Vermont Legal Aid](#), which sponsored the bill and supports dramatic changes to Vermont's tax sale process. The committee seems open to addressing some of VLCT's concerns, so it's important that they hear from you. **Please let the Senators on both the [Senate Government Operations](#) and [Senate Finance Committee](#) know your concerns with this bill.**

Municipal Ethics Bill, H.875, Passes the House

The House passed [H.875](#), a lengthy bill that also impacts statewide office holders, creates new ethics requirements for municipalities. The amendments put forth by Rep. Jim Harrison (Chittenden), Rep. Pat Brennan (Colchester), and Rep. Kelly Pajala (Londonderry) that would remove the training, reporting, investigatory, and new legal right to civil action against a municipality failed by a [41 to 83 vote](#) found on pages 1083 to 1087 of the April 2 House Journal.

As we have reported here throughout the session, VLCT testified on [January 24](#), [February 26](#), and [March 12](#), and also provided recommended alternative language on February 21. Our testimony was crystal clear: we support the fundamental goal of establishing ethical

standards, educating people about those standards, and holding people accountable to those standards. But we didn't support their approach, which was top-down and prescribed by the State Ethics Commission without regard for the impact the new obligations would have on volunteer officials. [H.875](#) as passed by the House now heads to the Senate Government Operations Committee for consideration. **VLCT encourages municipal officials to reach out to members of the [Senate Government Operations](#) Committee and share your concerns about these new requirements.** Now, while every legislator is acknowledging the capacity constraints of municipalities, is not the time to layer additional bureaucracy and unfunded mandates on you.

[IMPORTANT: Ethics Update – March 29](#)

The full House is considering H.875, a bill that would create new ethics requirements for municipalities, and VLCT hopes you will contact your representative to ask them to support a change on the House floor early next week that would remove the training, reporting, investigatory, and new legal right to civil action against a municipality. It would retain the proposed uniform municipal code of ethics. Rep. Jim Harrison (Chittenden), Rep. Pat Brennan (Colchester), and Rep. Kelly Pajala (Londonderry) plan to offer an amendment striking provisions objected to by VLCT in our write up of the bill on [March 21st](#) (see entry directly below). Now's the time to reach out to your representative and encourage them to support the Harrison, Brennan, Pajala amendment.

[Cannabis, Library Budgets, Tax Abatement and Sales, and County Governance – March 29](#)

Cannabis Bill, As Amended Allows Setback Restrictions on Cultivation

The full House approved [the Cannabis Bill \(H..612\) as amended](#) by a voice vote. This bill would change a number of provision to Vermont's laws on medical and recreational cannabis, including a. change to how highly potent, hemp-derived products are regulated by the Cannabis Control Board and a change that would allow adult recreation cannabis retailers to apply for a special license to sell medical-grade cannabis.

Of importance to municipalities are new provisions that would give the cannabis board and towns greater authority to regulate the siting of outdoor cannabis cultivation. Municipalities

would be given the ability to enforce minimum setback distances of cannabis cultivation operations. Existing law regulates cannabis cultivation in the same manner as “farming” and not as “development” on the tract of land where cultivation occurs for the purposes of permitting. Conflicts have developed in several communities with cannabis grow operations interfering with residential neighbors and other incompatible uses, especially in more densely developed areas. The changes referenced below attempt to address some of these issues by:

1. *if the cultivation occurs in a cannabis cultivation district adopted by a municipality pursuant to 24 V.S.A. §?4414a, the setback shall be not larger than 25 feet as established by the municipality;*
2. *if the cultivation occurs outside of cannabis cultivation district adopted by a municipality pursuant to 24 V.S.A. §?4414a or no cannabis cultivation district has been adopted by the municipality, the setback shall be not larger than 100 feet as established by the municipality;*
3. *if a municipality does not have zoning, the setback shall be 10 feet;*

Library Modernization and Protection Bill Passes the Full Senate

The Senate passed an [amended Library Modernization and Protection Bill \(S.220\)](#) on a vote of 23 to 6. Largely an uncontroversial bill, S.220 seeks to modernize library procedures, provide better privacy for library records and [prevent political interference](#) such as book bans. However, the governance relationship between library trustees and selectboards has been marked by confusion in the past and this bill does little to address these concerns.

In the case of *Hartford Board of Library Trustees v. Town of Hartford*, 174 Vt. 598 (2002) the Vermont Supreme Court was presented with the question of determining the relative authority

of the town and board of trustees with respect to a town librarian's salary and benefits. In resolving this issue, the Court focused on the Vermont Legislature's use of the phrase "full power to manage" in describing the trustee's breadth of authority governing library matters as granted in 22 V.S.A. § 143(a). "The Legislature could have simply said 'to manage' in § 143(a), but instead chose the phrase 'full power to manage.'"? Though the Court did highlight the "spirit of cooperation" that is necessary for the efficient operations of the affairs of the town given the ambiguity of the controlling statutes at play ["In this way, library trustees and town managers across the State of Vermont can agree to a wide variety of power-sharing schemes that best suit the needs of each particular town..."] when that "spirit" is not present or lost the Selectboard "cannot, in the name of administrative efficiency, infringe upon the Board's 'full power to manage' the library." In short, this case supports the rule that libraries already have the authority to manage their own affairs, property, staff, and funds (once appropriated/gifted).

In VLCT's opinion, this bill does little to change the existing municipal library/trustee authority. However, one could argue this bill creates an additional area of confusion.

Currently, we think that while library trustees may propose their library budget to the selectboard, the selectboard ultimately has control over the town meeting warning and proposed budget for the town, including what the library budget should be. While the trustees can make strong recommendations, they can't force the selectboard to use the library trustee's proposed budget. Section 5 of the bill may cause confusion with the additional language added that municipal library trustees "shall have the power to establish a library budget." Some may interpret this to mean that the library trustees recommended budget to the selectboard must be accepted 'as is' by the selectboard for placement on the town meeting warning to be voted on by the town. We would disagree with this interpretation, as the selectboard still controls the town meeting warning and the articles thereon. To avoid confusion, this provision could be changed to; municipal library trustees "shall have the power to: "establish a library budget for consideration by the legislative body."

Municipal Tax Abatement and Municipal Tax Sales Bill Receives Testimony in the Senate

VLCT Executive Director, [Ted Brady](#) provided testimony on [the Municipal Tax Abatement and Tax Sales Bill, \(H.629\) as passed by the House](#), to the [Senate Committee on Government Operations](#). As [reported each week](#), many of VLCT's original concerns with the bill as first introduced have been addressed. The remaining concerns are best summarized in, [VLCT's latest testimony](#) and include reducing the interest rate from 1% to .5% for investors that purchase properties at tax sale. We believe, from talking with many delinquent tax collectors, this will result in fewer investors interested bidding at tax sales and instead force municipalities to pay more delinquent property taxes to the state. This places a further burden on taxpayers who do pay their property taxes on time and takes away tools that help municipalities collect delinquent taxes.

On March 28, Carol Dawes- [Barre City Clerk and Treasurer](#), Jeff Mobus- [Springfield Town Manager](#) and Marco Tallini- [Town of Dover Treasurer](#) provided testimony to the [Senate Committee on Government Operations](#) also supporting many of the concerns raised by VLCT. Please let your Senators on both the [Senate Government Operations](#) and [Senate Finance Committee](#) know your concerns with this bill.

County Governance Study Bill Easily Passes the Full Senate

The County Governance Study Bill ([S.159](#)) [as amended](#), creates the County and Regional Governance Study Committee to address local government capacity challenges, enhance and optimize public safety, regional collaboration and planning, efficient, equitable, and transparent public resource allocation, and effective regional public services for individuals and municipalities.

The study committee, consisting of three members of the House of Representatives and three members of the Senate, shall study and make recommendations to the General Assembly on how to improve the structure and organization of county and regional government, including:

- enhancement and optimization of public safety;
- enhancement of regional collaboration and planning;
- efficient, equitable, and transparent allocation of public resources;
- promotion of effective regional public services for individuals and municipalities;
- clarification of the role and oversight of elected county officials and their departments;
- reduction of duplicated public services and promotion of opportunities for intermunicipal collaboration;
- balance of availability and cost of services across municipalities in each county;
- mechanisms of county and regional government structures in other states; and
- impact of climate change and resiliency on the maintenance of public infrastructure, delivery of regional government services, and coordination of regional emergency planning.

The committee is granted administrative, technical, and legal assistance of the Office of Legislative Operations, the Office of Legislative Counsel, and the Joint Fiscal Office and appropriated \$50,000. On or before November 1, 2025, the Committee shall report to the House Committee on Government Operations and Military Affairs and the Senate Committee on Government Operations with its findings and any recommendations for legislative action.

VLCT and other partner organizations are named members of the County and Regional Governance “Technical Advice Participants” to support the legislative study committee. [VLCT has remained supportive](#), but cautious of the breadth and scope of this effort. We support a “fresh look”; however, we have concerns that S. 159 too narrowly charges the committee to evaluate “county government” and Vermonters may be better served by making recommendations to encourage and stimulate regional collaboration. Narrowing the scope of the legislation to address specific government services may prove to be a more reasonable task.

[Ethics Update - March 21, 2024](#)

The House Government Operations and Military Affairs Committee voted to send an ethics bill including the municipal code of ethics, new municipal training and reporting requirements related to ethics, and a new right of civil action against municipalities related to whistleblower protections to the full House for consideration by a vote of 10-2. These provisions were tacked on to a state ethics bill, [H. 875](#).

VLCT testified on [January 24](#), [February 26](#), [March 12](#), and provided recommended alternative language on February 21. Our testimony was crystal clear: we support the fundamental goal of establishing ethical standards, educating people about those standards, and holding people accountable to those standards. But we didn’t support their approach, which was top-down and prescribed by the State Ethics Commission without regard for the impact the new obligations will have on volunteer officials.

Aside from VLCT’s philosophical concerns with the state dictating how municipalities should approach ethics policies, we have several practical concerns that members should be aware of:

- The bill discards existing conflict of interest policies municipalities have been required to adopt since 2019, and which VLCT has created model policies and training on. (Section 20)
- The bill creates the first and only training requirement for municipal officials – an unspecified ethics, open meeting law, and public records act training to be approved by

the State Ethics Commission in consultation with the Secretary of State. (Section 22, § 1995)

- Every municipality will be required to appoint a “State Ethics Commission liaison”. (Section 22, § 1995)
- Municipalities will need to maintain a record of every municipal officer who received ethics training. (Section 22, § 1996)
- Municipalities will need to designate a municipal officer or body to receive complaints. (Section 22, § 1996)
- Municipalities will need to investigate ethics complaints. (Section 22, § 1996)
- Municipalities will need to maintain records of complaints and the disposition of those complaints on every municipal officer for the entirety of their term plus five years. (Section 22, § 1996)
- Municipalities must provide the State Ethics Commission with a summary of every complaint, plus the outcome of the complaint. (Section 22, § 1996)
- Municipal officers, employees “or any other individual” are given a new right of civil action against municipalities related to whistleblower protections. (Section 22, § 1997)

Several municipalities had asked the committee to exempt communities that have similar or more robust ethics policies already in place. The committee chose not to do so but added language that attempted to ensure any ethics training those communities did would be honored by the State Ethics Commission.

VLCT encourages municipal officials to reach out to the representatives and share your concerns about these new requirements. At a time when every legislator is acknowledging the capacity constraints of municipalities, now is not the time to layer additional bureaucracy and unfunded mandates on you.

[Tax Abatement and Tax Sale Bill Passes House, Hybrid Meetings, Ethics Testimony – Mar 1, 2024](#)

Amended H.629, a Bill Changing Municipal Tax Abatement and Municipal Tax Sales Procedures, Advances

The full House of Representatives amended and passed [H.629](#) on Thursday, February 29. The “leap year surprise” passed primary on party lines with Independents and several Democrats (the members joining the minority in opposition were former town clerks and treasurers familiar with the existing process). See pages [328 to 348 of the House Journal](#) to view the amended version and a record of who voted Yea and Nay.

As reported last week, many of VLCT’s concerns have been addressed and are summarized [in VLCT latest Testimony](#) from February 27. The most distressing change remaining in H.629, cuts the interest rate from 1% to .5% for investors that purchase properties at tax sale. We believe, from talking with many Delinquent Tax Collectors, this will result in fewer investors interested bidding at tax sales and instead force municipalities to pay more delinquent property taxes to the state. This places a further burden on taxpayers who do pay their property taxes on time and takes away tools that help municipalities collect delinquent taxes.

The recent amendments made to H.629 – allowing similar types of abatements to proceed as a group or class and allowing selectboards to forgive de minimis amounts of taxes for the purpose of reconciling municipal accounts – are supported by VLCT and have been requested by many members for years. This makes our support for, or opposition to, the amended version of H.629 challenging. We hope the [Senate Finance Committee](#), where H.629 is expected to go next, will support VLCT’s requested changes.

Hybrid Meeting Flexibility Remains for Municipalities

The latest version of [S.55, Draft 5.4](#) was voted out of the [Senate Committee on Government Operations](#) by a vote of 6 to 0. If you have been following [S.55](#), the original three-page bill proposed to amend the Open Meeting Law to continue the COVID procedures allowing public bodies to meet remotely. However, the Senate Government Operations Committee added several new sections and a hybrid meeting requirement, which would not work for many municipalities. Your advocacy against that unfunded and unrealistic mandate convinced a majority of the committee members to remove the mandatory hybrid requirement instead studying the future implementation for municipalities. The bill creates a working group charged with making recommendations to increase participation and accessibility of municipal public meetings and elections. The Vermont Secretary of State is charged with leading the working group and is allocated \$50,000 to support the study. S.55’s next stop is likely the

Senate Committee on Appropriations.

Committee Hears Your Backlash on Plans for State Ethics Commission to Control Municipal Ethics and Conflicts of Interest

The [House Committee on Government Operations and Military Affairs](#) heard powerful [testimony on February 29](#) from the Town of Colchester (starting at 10 minutes in the recording) and the [Town of Lunenburg](#) (starting at 58 minutes) against their plans to hand over control and oversight of municipal ethics and conflicts of interest to the unelected [State Ethics Commission](#). The testimony provides two very different perspectives on the latest version of the [Committee Municipal Ethics Bill](#) and how it would affect their community and the elected officials & volunteers who work hard to ensure that local government works for everyone.

It is distressing that the committee crafting this bill – which would directly affect every municipal employee, every elected and appointed official, and thousands of volunteers, over 9,000 in all – has heard the concerns of **only two municipalities**. We know many of you have reached out to your legislators and asked them to slow down and work with us to support municipal ethics reform that is focused on and centered at the local level. **Please continue to reach out to your legislators** and tell them about your concerns with this bill as drafted and how seriously you take conflicts of interest in your municipality.

As you know, VLCT makes model conflict of interest policies available to you and provides training on the subject. VLCT Executive Director Ted Brady provided [comprehensive written testimony](#) to the committee a few weeks ago. We hope the committee members slow down, get this right, and work with municipalities for the outcome we all want: “Good government for the people and by the people.”

[Improvements for Tax Abatement, Tax Sales, and Public Meetings; Proposed Municipal Ethics Troubling – Feb 23, 2024](#)

For history and background on this update, see the January 19 entry below.

House Ways and Means Moves Improved Municipal Tax Abatement and Municipal Tax Sales Bill

The House Committee on Ways and Means moved out of committee the latest version of [H.629](#) on a vote of 9 to 3. Many of VLCT's most pressing concerns have been addressed and are summarized in [VLCT Testimony from Feb. 16](#). The most distressing change remaining in H.629 would cut the interest rate from 1% to 0.5% for investors that purchase properties at tax sale. After talking with many collectors of delinquent taxes, we believe this would result in fewer investors interested in bidding at tax sales, which would in turn force municipalities to pay a higher share of delinquent property taxes to the state. This would place a further burden on taxpayers who do pay their property taxes on time and would take away tools that help municipalities collect delinquent taxes.

Although VLCT succeeded, thanks to your input and advocacy, in making significant positive changes to this bill, we cannot support it at this time and will continue advocating to restore tools that help municipalities collect and pay delinquent property taxes.

Hybrid Meeting Mandate Removed

If you have been following [S.55](#), the original three page bill proposed to amend the Open Meeting Law to authorize public bodies to meet through electronic means without designating a physical meeting location — and VLCT strongly supported that effort. However, the Senate Government Operations Committee added several new sections and a very problematic Hybrid Meeting requirement.

Because of your advocacy against that unfunded and unrealistic mandate, we are pleased to share that the committee removed the mandatory hybrid meeting requirement for municipal meetings. Thank you for taking time to write to your legislator, testify, and have conversations! Without your advocacy, the bill would have almost certainly left that committee with the new requirement. The only senator who remained steadfast on retaining the hybrid meeting requirement was Senator Tanya Vyhovsky, who represents Essex Junction, Colchester, Winooski, and Burlington. You may wish to send your thanks to Senators Hardy, White, Clarkson, Norris, and Watson for their willingness to change their minds.

While the bill isn't perfect –it removed the \$250,000 grant program for communities), has a few technical issues that should be corrected, and creates a time-consuming study committee to evaluate how to host more inclusive municipal meetings – it is far better than where it was, and we're thankful the committee worked with municipalities to make the most important change of eliminating the hybrid meeting requirement for municipalities. Please see the latest version of S.55 Draft 4.2. Thanks again for your advocacy!

Power Grab in Montpelier: State Control of Municipal Ethics and Conflicts

The [House Committee on Government Operations and Military Affairs](#) has been working on a [Municipal Ethics Bill](#) (still in Draft form so no bill number has been assigned) since the beginning of the session. This bill largely follows the recommendations of Christina Sivret, Executive Director of the Vermont State Ethics Commission, and dismisses the efforts of municipal officials across the state who care deeply about ethics and work hard to earn the public trust of residents.

As you know, VLCT provides model policies and regular training on the subject of conflicts of interest. VLCT Executive Director Ted Brady provided [comprehensive written testimony](#) to the committee a few weeks ago. It's distressing to see the committee move ahead without incorporating feedback from our members and addressing the concerns we have raised. VLCT has provided a compromise framework and [draft legislation](#) that would result in a uniform municipal conflict of interest and unethical conduct policy for adoption by every municipality. Both the House Committee on Government Operations and Military Affairs and the State Ethics Commission appear to be more interested in taking away local control and accountability and holding municipal officials accountable in Montpelier by an unelected board.

The current draft bill would repeal the existing laws governing municipal ethics and conflicts of interest and:

- Create a new 10-page Municipal Code of Ethics
- Require a new mandatory training (the number of hours determined by the State Ethics Commission) within 120 days for every municipal officer (elected or appointed)

- Have the State Ethics Commission determine continuing education and training requirements for all municipal officials every three years
- Require each municipality to designate a “senior-level” employee as a liaison to the State Ethics Commission and would be required to attend “educational seminars” determined by the State Ethics Commission on a regular basis
- Require all municipalities to post the new Municipal Code of Ethics and ensure it is made available to all members of the public
- Maintain records of who has received required ethics training
- Designate a municipal officer responsible for receiving complaints alleging violations of the new Municipal Code of Ethics, investigate complaints and maintain records of each complaint and disposition of each complaint for the duration of the municipal officer service plus a minimum of five years and, upon request by the State Ethics Commission, promptly provide a summary and outcome of each complaint.

See [our Legislative Alert about this issue](#) – and **please consider sharing your concerns with a member of this House committee or your town's representative!**

[Tax Abatement and Tax Sale, Remote Open Meetings, Municipal Ethics – Jan 19, 2024](#)

Concerning Changes to Municipal Tax Abatement and Municipal Tax Sales

[H.629](#) proposes to make significant changes to the municipal tax abatement and tax sale process. [Testimony](#) from VLCT Executive Director Ted Brady expressed our members’ concerns with the bill as proposed. VLCT has committed to work with this bill’s sponsors and other interested partners to find common sense solutions that don’t further strain municipal budgets and that do recognize the challenges some lower income property owners face under the existing process. Please let us know if you have questions, concerns, or suggestions about this issue. You can also visit our MAC resources on property [tax abatement](#) and [tax sale](#).

Making Remote Open Meetings Permanent

[S.55](#) proposes to amend the Open Meeting Law to authorize public bodies to meet through electronic means without designating a physical meeting location. VLCT strongly supports this bill as proposed; however, a new draft of the bill is in the works which seeks to compromise on the concerns expressed by the Secretary of State, who does not support remote-only meetings. [Ted Brady's testimony](#) shared our members' support for remote meetings and noted the resources VLCT provides to help members manage both [remote](#) and [hybrid](#) meetings.

Requiring a State-Run Municipal Ethics Framework

The [House Committee on Government Operations and Military Affairs](#) heard [testimony](#) from Christina Sivret, Executive Director of the Vermont State Ethics Commission, on a proposed Municipal Ethics Framework. We know Vermont municipal officials care deeply about ethics and VLCT provides model conflict of interest policies and regular training on the subject. Please read Ted Brady's December 8, 2023 [Feedback to the Vermont Ethics Commission](#) expressing our concerns about the current approach and unintended consequences.

Please stay tuned for updates on these issues and more legislation affecting municipal capacity, revenue, and governance.

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