WLR Mar 1: Tax Sales, Flood Recovery, Public Safety, and More

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Read more about what happened this week below, and don't miss our latest posts to Advocacy Updates: Municipal Capacity, Revenue, and Governance and to Advocacy Updates: Climate Change and Disaster Recovery. Those pages contain important updates about several bills, including

- H.629, regarding changes to **municipal tax abatement and tax sales**, which was passed by the full House of Representatives on Thursday
- S.55, which was voted out of committee **without the hybrid meeting requirement**
- The **Municipal Ethics Bill,** still in development in the House Committee on Government Operations and Military Affairs, **had testimony yesterday from Colchester and Lunenburg**. We encourage you to continue to reach out to your legislators about your concerns with this bill.
- H.839, the **Budget Adjustment Act,** which is expected to be signed by the governor next week and includes funding for Municipal Flood Relief
    - **Emergency Relief and Assistance Fund** (ERAF) Local Share is only 2.2%. FEMA covers 90% and the State of VT will cover 7.8%
    - **Local Economic Impact Grants** Details are not yet finished, but amounts will be based on the FEMA Individual Assistance reported damages and the FEMA Public Assistance reported damages.

This week VLCT provided testimony to:

- **House Government Operations Regarding H.629 (Tax Sales)**

The content of the Weekly Legislative Report *below is provided by our advocacy partners. For more detail and commentary from VLCT Advocacy staff, visit the* ***Legislative Reports*** *webpage to access our topical Advocacy Updates.*

Engage in Town Meeting Day Next Week

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This Town Meeting Day is a unique one, as some school budgets have been yanked from the ballot, and those that haven't could mean upwards of a 20% increase in property taxes. It has many advocating that "it's okay to vote no on school budgets." Luckly, how you vote on both school and town budgets is your choice.

Outside of that controversy,

- Vermont's biggest municipalities are set for March votes on nearly $60 million in capital projects.
- Burlington will consider how to close a $9 million budget gap partially with a public safety tax. Burlington will see political races that will dramatically reshape the city council and elect a new Mayor after 12 years of using the new ranked-choice voting system.
- St. Albans City voters to decide on $11.4 million bond for 90 new housing projects and other downtown improvements
- Montpelier will consider the "just cause" evictions policy.

You can find a great guide to Town Meeting Day via Vermont Public.

You can check your My Voter Page to register to vote, request a mail-in ballot, or check the status of your ballot.

Difficult Discussions Around Public Safety & Quality of Life

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It seems every week, we have a real-life example of how our system is failing us on public safety and quality-of-life issues relevant to what is happening in the legislature.

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    - One week, we covered an individual whose multi-year rampage through the greater Burlington area included arson, carjacking, domestic assault, and, most recently, taking two hostages at T-Ruggs Tavern.
    - And then, ***this week,*** we have the story of a man who was threatening Burlingtonians at a food shelf from which he had a no-trespass order and, during his arrest, assaulted the officer with "bodily fluids." This incident brought him to 1,600 interactions with Burlington Police.
        - Over the past several years, he has been trespassed from nearly 150 locations in the Queen City. The individual's alleged criminal history includes but is not limited to 10 failures to appear, 39 charges and three convictions for Violation of Court Orders or Conditions; 19 charges and six convictions for various felonies; 162 charges and 42 convictions for various misdemeanors; and 32 charges and 13 convictions for assaultive crimes.
        - *The court released him on conditions, and he reportedly required police intervention when he charged people exiting the Monkey House in Winooski the next night.*
        - A simple Google search will remind you that this man's assault of a restaurant owner in 2017 spurred a Burlington City

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Council conversation about creating a criminal charge for those who racked up multiple "quality of life infractions," which was stopped by progressive councilors.

- The situation is getting worse in Vermont;
  - Previously, we covered the dire situation in Decker Towers, where residents are arming themselves to protect their homes, which unfortunately resulted in a resident being arrested this week for a pepper spraying incident.
    - This individual isn't the only one taking justice into their own hands; a clip went viral this week of a crowd confronting and assaulting someone who walked out of Home Depot with a shopping cart full of high-price items they did not pay for.
  - If you think this is exclusively an urban area issue, you are sorely mistaken.

In Montpelier this week, we made some incremental advances toward some helpful legislation regarding violations of conditions of release (VCR), retail theft, and legislation that was attempting to legalize quality-of-life issues such as public urination.

The Senate Judiciary Committee continued their work on what to do about continued violations of conditions of release, which each of the individuals in the examples we outlined above had many of. The bill, S.195 includes;

- **Electronic monitoring and pre-trial supervision:** The Department of Corrections would establish and manage an electronic monitoring program that may include home detention and supervise defendants

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who violate release conditions and pose a risk of not appearing in court, fleeing, or harming the public.
    - There was some disagreement between the Committee members and the Superior Court Judge as to whether this should be directed at those who would be likely to have VCRs instead of just those who have VCRs.
    - This is an essential question, as the aim of this legislation is to address the egregious actors we highlighted above.
- **VCRs in Sentencing:** When considering sentencing options, the court must now consider the defendant's violations of release conditions and the risk they pose to themselves, others, and the community.
- **Use of firearms while selling or dispensing drugs:** This section increases the penalties for using a firearm while selling or trafficking certain drugs. It also clarifies that "using a firearm" includes trading a firearm for drugs and applies to both people involved in the exchange. This conduct is also considered a violent act for bail purposes, though the Defender General advocated the use of firearms while trafficking drugs is not a violent act.
- **"Flight from prosecution"** would be defined as any action taken by a person charged with a crime to avoid court proceedings, including failing to appear in court.

Even more controversial is the work the Committee is doing on S.58, which would;

- **Delay the "Raise the Age" Initiative:** push the age of juvenile jurisdiction to include 19-year-olds from July to April 2025.

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- **Revision of Criminal Offenses:** changes to the list of serious crimes, known as the "Big 12," for which offenders can be charged as adults. It removes burglary from the list in exchange for adding the use of a firearm during a felony, trafficking regulated drugs, and aggravated stalking.
- **Drug Law Revisions:** Introduces a new felony charge for selling xylazine and eliminates a legal defense for drug sellers who claim ignorance about the presence of fentanyl in the drugs they sell.
- **Eviction of Drug Dealers:** Addresses concerns about drug-related criminal activity in residential settings by expediting arraignments for drug sellers not legally residing at the property and reducing the notice period required for eviction proceedings related to criminal activity.
- **Drug-Induced Homicide:** Increases the penalties for subsequent offenses for trafficking and dispensing or sale of a regulated drug with death resulting.

The House Committee on Judiciary is set to vote on the retail theft bill, H.534, today after it stalled for some time.

- H.534 seeks to amend the threshold for distinguishing between misdemeanor and felony theft to $900 by aggregating offenses within a 14-day period in a single county.
- The bill now seeks to reconstitute "work crew" or the Community Restitution Program as a sentencing alternative
- The Committee has already passed H.645, which aims to expand the restorative justice process to handle first-time offenders' misdemeanors, which is said to have higher outcomes and is expected to help take pressure off the courts as they try to work their way through the

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backlog.

In another small, incremental step, the House passed a version of the Homeless Bill of Rights that cut the language that the Lake Champlain Chamber has advocated against for six years, which would have protected activities such as public urination.

- H.132 no longer contains the so-called homeless bill of rights section, which protects unknown activities under the vague title "harmless activities associated with homelessness" and instead only adds "housing status" to a number of our discrimination laws as protected status for housing and employment.

Legislators Look to Spend Their Way Out of the Education Fund Crisis

The conversation about how to handle the $230 million increase in education spending, from $1.71 billion in fiscal year 2024 to $1.94 billion in fiscal year 2025, continued.

- Legislators gained perspective on cost drivers from an Agency of Education survey of schools.
- $42 million – 16% increase in health insurance
- $31 million – loss of pandemic-era funding while retaining expanded staff
- $87 million – 6% increase in salaries and benefits for school staff
- $50 million – capital construction

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- $29 million – attributed to general inflation
- Surveying did not include ~$29 million in universal school meals that was previously passed with no revenue behind it. Superintendents and School Boards' Associations advocated for the roughly $29 million of universal school meals that was passed without a funding source to be moved out of the education fund and into the general fund while paying for the program with sugar-sweetened beverage tax and a tax on candy.
- There is a great deal of discussion about how to get the property tax increase down to about 10% to 14% by raising about $100 to $120 million dollars.
- *Meanwhile, there is little to no conversation about what to cut in the interim.*
    - The NEA highlighted in testimony that PCB started without funding – schools advocated for pausing it and then integrating with the rest of capital construction conversations not paid for by property tax, something the legislature and Governor have seemed to find agreement on.

Revenue most discussed this week includes;

- **Cloud tax –** legislators are considering taxing services you use over the internet, ranging from QuickBooks to website design to the server space you rent.
    - They think this would raise only $20 million and lower the property tax hike by 2%.
- **Tax on unrealized capital gains** – the House Ways and Means Committee took a week off on their proposal to tax unrealized capital gains. However, anyone who understands how assets appreciate

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understands how fickle this process is, which could result in a high cost of compliance, constitutional challenges, and potentially lower tax revenues for the state.

- **Income surcharge tax –** it is more likely than not that the proposed tax on unrealized gains is a political maneuver to make a proposed 3% surcharge on incomes over $500,000 appear more reasonable.
- **Worldwide Combined Reporting –** the House Ways and Means Committee gained more insight into what this might look like only to realize that, for all the trouble, it would only net $2.8 million in revenue.
- We've covered these revenue sources extensively before.

Meanwhile, the Governor is hammering hard on affordability concerns statewide any chance he gets.

Committee Working Through Privacy Bill Changes to Meet Crossover

The House Committee on Commerce and Economic Development got a new draft of their privacy bill this week as they push to have consensus before crossover. Changes in the bill include;

- The definition of "consumer" has been expanded to include individuals present in the state at the time of data collection, making it easier for businesses to fall under the bill's requirements.
- Entity exemptions are limited, with only government entities exempted. This week, 13 Vermont business and non-profit organizations sent a letter relaying concerns over the private right of action included in H.121.

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- The Private Right of Action remains, with a 60-day cure period. Additionally, the Attorney General and Agency of Commerce are required to implement a public education program for consumers about their new rights.
- New provisions were added to protect minors online, such as implementing an opt-in system for their data.
- The effective date was moved to January 1, 2025

One major issue with the bill from the perspective of a business attempting to use a national vendor for software or service is that they'll be doing the equivalent of trying to order off-menu at a fast food restaurant. When going to a software vendor, you cannot order an "Oregon (hasn't been implemented yet) with a side of California, helping of Colorado, and a sprinkling of Connecticut served with a dipping sauce of "private right of action" that no one else has seen before in the context of data privacy. California could do such a thing because they're the 5th largest economy in the world.

Will the Legislature Take Adequate Action on Housing?

Heading into the session, there was great energy around Housing and an agreed-upon understanding that Act 250 reform was a large part of what needed to be done to accomplish that. Many felt confident that we'd have a breakthrough due to a tri-partisan coalition releasing a comprehensive bill in which a similar version passed its first Senate Committee. Despite that, the bill has been untouched for two weeks, and the Chair of Senate Natural

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Resources and Energy, to the frustration of many, has indicated he will not touch the bill until the House sends him their Act 250 legislation.

His recent comments to the press don't inspire confidence that substantial change will be made.

- "It's very hard to prove a negative, but the cases where Act 250 has really been problematic are far and few between," Bray said. "It's become a pretty convenient whipping boy for difficulties in development."
- Yet we all know Act 250 is a tool for NIMBYs to slow down development in an attempt to increase the cost of force capitulation with no Act 250 process in the City of Burlington substantially changing a project that already went through local zoning.

Elsewhere In The State House

Hundreds of hours of committee discussion each week culminate into our advocacy update, so not everything makes it into the overall update; however, we often cover what is left on the cutting-room floor here for our most dedicated readers.

- Read updates from Week 1, Week 2, Week 3, Week 4, Week 5, Week 6, Week 7, and the last session's recap.
- Governor Scott used his bully pulpit this week to take issue with the **Renewable Energy Standard**, which his administration asserts will cost Vermont electricity ratepayers $1 billion over the next decade. You can

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read more about this debate via VTDigger.

- The Senate Committee on Economic Development, Housing, and General Affairs discussed further legislative language mirroring that of Massachusetts, Connecticut, and Colorado, which would require businesses to accept cash. The committee will hear more on the definitions of "retail" and "cash" to avoid unintended consequences and take testimony from the retailer association and ski areas. They will also consider the $1000 limit and possibly exemptions for out-of-the-way locations and hours of the day to provide some safety measures.
- The House Committee on Government Operations and Military Affairs passed a Committee Bill that includes extending a "**special venue serving permit**" permit granted by the Division of Liquor Control to retail establishments to serve, but not sell, beer or wine by the glass to the public, for up to six hours and solely for consumption on premises provided they take a required one-hour course.
- The House Ways and Means Committee discussed the **Vermont Employment Growth Incentive program** with the intent to extend the sunset on the program and convene stakeholders in the meantime to reimagine the future of the program. This is your evergreen reminder that "there is no such thing as a failed VEGI."
- The House General and Housing Committee passed H.856, an act relating to **medical leave for serious injury,** which is different from a serious illness, which current Vermont law provides for family leave. The language is lifted from H.66, the ***paid*** family medical leave bill, which is not moving, and amends "serious illness" to "serious health condition," which would include an accident, illness, injury, disease, or physical or mental condition.

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- The Senate Committee on Health and Welfare continued discussion around S.195(opens in a new tab) with a new draft instructing the Agency of Natural Resources to report back with an implementation plan and draft legislation to the legislature on November 1st. The report would **identify PFAS products of high concern and how to target those products with PFAS for removal** from the consumer products stream.
- After a few weeks of the ambitious pursuit of Medicaid expansion, it looks as if the legislature will forego action in favor of studying the issue.
- Despite a memo noting that such legislation would likely be preempted by federal law, the Senate Judiciary Committee is expected to pass legislation that would compel large fossil fuel companies to pay for damages caused by climate change in Vermont.

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