WLR April 26: Flood Abatement, Local Option Tax, Budget, and More

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Many bills of interest to municipalities continue to progress through the legislative process. **Read more about what happened this week below,** and don't miss our latest advocacy updates to **Municipal Capacity, Revenue, and Governance**, to **Public Safety and Transportation**, and to **Climate Change and Disaster Response** which include:

- **Municipal Flood Abatement Relief Extended**
- **Transportation Program and Budget**
- **Amendment to Authorize Municipalities to Prohibit Firearms in Municipal Buildings Fails**
- **Tax Abatement and Tax Sale Bill** *House likely to concur with the Senate-passed bill*
- **Local Option Tax**

Opportunities for input:

- **Contact Your Legislators** *Let them know you support Local Option Tax authorization*
- **IMPORTANT Survey** *Statewide Reappraisal and Property Data from PVR*
- **Apply Now** *Opioid Settlement Advisory Committee*

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

Introduction

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We're headed into the final stretch of the session despite it feeling as if there is no way we could be. There is a tentative date for adjournment of May 10th, and a quick survey of those around the building, and especially of those who have made their way to the House Clerk's Office to participate in the betting pool, indicates that adjournment will be on schedule or very close to on schedule.

- However, the fall of the gavel for adjournment will certainly not be the final this year, as everyone knows they will be back for a veto session in the third week of June.
- In the meantime, the Senate has passed their version of the budget, which is the must-pass legislation that, when completed, signals the end of the session.
- As we close the session, much of the work of the legislature is done by Committees of Conference, consisting of three members of each body appointed to work out the differences between the House and Senate versions of bills.

Senate Passes Budget Without the Over $100 Million in Taxes the House Sent

On Wednesday, the Senate passed the $8.61 billion state budget and sent it back to the House with a price tag that was about $2 million cheaper and without the more than $100 million that the House has raised in new taxes. The Senate budget is still over $60 million more than what the Governor

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proposed.

- The House and Senate will now need to form a Committee of Conference to work to work out their differences in the bill.
- As we led with in last week's update, the smaller price tag and fewer tax increases reflects the dichotomy of addressing problems with spending, as opposed to addressing problems with policy.
    - The housing and public safety legislation sent to the Senate by the House relied on new taxes and more spending while the Senate has curtailed spending and sought more policy levers.

House Greenlights Property Tax Average Increase of 15% for Homeowners, 18% for Everyone Else

The House passed this week the yield bill which sets the state up to see double-digit increases over the next few years, and the legislative action is only set to study what to do during that time period. Sentiment among the House members ranged this week; as some heralded the tax increase as lower than expected while others noted that there is very little accountability for the decisions that got us here.

- Business associations sent a letter to the Senate Committee on Finance before the yield bill's arrival.
    - The businesses advocated against capitulating to higher tax rates alone this year and sought to pull some policy levers that curb spending in the immediate future.

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- The letter takes issue with the higher tax rate for businesses and renters and requests exempting online business-to-business services from the cloud tax the House passed in the yield bill. It also requests directing some of the new revenue raised towards buying down the non-homestead tax rate.

The Senate Committee on Finance was unable to meet on this legislation this week, which will further compress conversations.

Substantially Changed Privacy Bill on Its Way to a Committee of Conference

This week, the Senate Committee on Economic Development, Housing, and General Affairs passed H.121 with substantial amendments that address the concerns of Vermont's small businesses and nonprofits, setting the stage for a contentious committee of conference in the final days of the legislative session.

- The most substantial change to the bill is the Senate Committee's decision to eliminate the private right of action (PRA), which could have exposed Vermont small businesses to frivolous sue-to-settle practices.
- The bill's definitions are more interoperable with definitions used in privacy legislation, which covers millions of Americans, making compliance easier and cheaper for Vermont businesses.

House and Senate Honing Final Versions of Public Safety Bills

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As we head into the final days of the legislative session, the House and Senate Committees on Judiciary are going to need to close the gap on a number of pieces of legislation. In these situations, a negotiation about one bill is never just about that one bill.

- Overlaying all of the legislation is the broader conversation around funding. The House had sent a budget that funded 60+ new positions in the state's criminal justice system; the Senate this week returned one that funds less than half of those. The Senate also agreed to fund three new superior court judges.

S.195 – Repeat Offender and Violations of Conditions of Release

- The House Committee on Judiciary finalized their work on the legislation this week, making changes to the lifting of a cap on bail for repeat offenders, while still allowing for some discretion by judges.
- The bill has now been referred to the House Committee on Correction and Institutions who will likely finish their work on it this afternoon.
- The Senate's budget as passed contains the funding for the pre-trial monitoring positions.

Elsewhere In The State House

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Hundreds of hours of committee discussion each week culminate in 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, Week 8, Week 9, Week 10, Week 11, Week 12, Week 13, Week 14, Week 15, and the last session's recap.
- We are not covering the Housing and Act 250 legislation in this week's update as its own section, however, negotiations are ongoing and reflected in this draft that should not be read into too much yet, is reflective of the conversations being held by the Senate Leadership. Dropping the new appeals process is looking more and more appetizing for everyone involved as the behemoth of a bill bounces down the adjournment timeline.
- The House Committee on General and Housing has continued to work on S.102, a bill that would allow employees to not participate in meetings they deemed broadly political or religious. The Committee is likely to pass the bill next week despite some last minute concern from the agriculture community.
- Senator Jane Kitchel was elected this week by her peers to be the third member of the Committee on Committees, a position formerly held by now-retired Senator Mazza.
- The Vermont Arts Council, and many others joined Senator Peter Welch Wednesday to announce the introduction of the Stage Act, which aims to help performing arts venues that are still recovering from the global pandemic. Watch and hear more via NBC5.

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- The Senate Natural Resources Committee approved H.289, a bill making changes to the state's Renewable Energy Standard (RES), setting the electric utilities' renewable energy procurement requirements. You can read an overview of the bill and fiscal impacts here.
- For years, some members of the Vermont legislature sought to ban noncompete agreements; advocates asked them to wait and watch the conversations at the Federal Trade Commission. Now, what was a continuous topic of debate might be null as the FTC voted 2-3 to ban noncompete agreements with the exception of existing noncompete agreements with executives making over $151,164. The ban is on shaky grounds and has already been challenged with the likelihood of an injunction and the promulgated rules eventually making their way to the Supreme Court.
- The Governor signed into law this week H.363, an act relating to prohibiting discrimination based on certain hair types and styles.
- The Federal Emergency Management Agency is sending Vermont $22 million to cover flood cleanup, including decontaminating state buildings, removing debris from roads, and stabilizing government offices like the Pavilion Building in Montpelier. Read more via VTDigger.

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