2024 Legislative Wrap-Up

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*Use the links in the blue Related Links box to navigate to the topic update pages if you want to focus your reading by topic. We are still **accepting applications** for those interested in serving on a VLCT Policy Committee and are especially looking for those interested in Transportation. We're also accepting **applications to serve as the VLCT appointee** to the Abatement and Tax Sale Process Working Group which is expected to begin meeting as soon as August 2024.*

The 2024 legislative session ended in the early morning hours of Saturday, May 11, 2024. With over thirty bills passed on the last full day, the ambitious legislative agenda went down to the wire for some of the most-watched bills of the session. **VLCT tracked over 130 bills that would affect municipalities, of which forty-three passed and more than a dozen others were incorporated into others that passed**.

In this Legislative Wrap-Up, we **highlight forty-four bills** for you. Many have already been enacted, and a handful (which happen to be some of the most controversial and important of the session) are still awaiting a decision from Governor Scott. At a special legislative session on June 17, 2024, the legislature will attempt to override the governor's veto of at least two bills we are tracking.

We started the legislative session with a number of questions(opens in a new tab):

Will Governor Scott run again? Yep, and without a well-known challenger. However, the legislature, especially the Senate, will look a lot different next year because of six veteran senators not returning(opens in a new tab).

Will the governor and the legislature work together on important issues for Vermonters? The answer might be yes, no, or maybe depending on your priorities. Public Safety – yes. Affordability and Taxes – it's complicated. Housing and Act 250 reform – maybe. The veto-proof majority was certainly omnipresent this session, but we find ourselves in familiar territory: the governor vetoing any bill he feels makes Vermont less affordable and inching ever closer to a grand Act 250 compromise.

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With federal stimulus funding ending and flood impacts lingering, will there be enough revenue to meet the state's priorities? It sure seemed that way, the state budget passed with relative ease this year showing very little difference in the spending priorities of the Senate, House, and Governor Scott.

So, how did municipalities fare this session? It seemed to mimic Vermont's famously fickle weather. There is something for everyone to like and something for everyone to dislike.

- The legislature largely delivered on the flood relief and assistance that municipalities requested.
- Compromise on public safety reforms was reached.
- Open Meeting Law changes allow some bodies to meet remotely, require others to operate in hybrid fashion, and add new recording and training requirements.
- Several technical and process improvements requested from municipalities were included in the compromise municipal tax sale bill.
- Local Option Tax was authorized for **all municipalities** without requiring a charter or approval by the legislature.
- Municipalities were granted new authority to regulate outdoor cannabis growing operations.
- Municipalities were authorized to construct, operate, set rates for, finance, and use eminent domain for thermal energy exchange networks.
- Funding for Town Highway Aid was increased.
- Municipalities may need to implement a new uniform code of ethics with training and reporting requirements.
- Municipalities may finally see long-sought Act 250 exemptions for designated areas enacted but will pay the price of supporting a relief to the state's housing crisis with more local zoning preemptions.

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This is just a short list of legislative actions affecting municipalities from the session. Several of the bills highlighted below directly respond to or advance the VLCT Municipal Priorities(opens in a new tab) established at the beginning of session. **We will provide a recap of the veto session the week of June 17, 2024, and host a final Advocacy Chat on June 24, 2024**(opens in a new tab)**.**

Since this work is never really finished, please stay engaged and sign up to serve on a **VLCT Policy Committee**(opens in a new tab). Your voice is our voice in the policies we advocate for. VLCT was named to several study committees (see VLCT Study Committee Engagements below) as these studies will set the stage for the next legislative biennium and some of VLCT's policy committees' work this summer.

H.546 – Miscellaneous Tax Bill, Authorization of Local Option Tax

H.546 *Amends 18 V.S.A. § 5017, 24 V.S.A. § 138, 32 V.S.A. § 3802(22), § 4041a, § 4452, § 5412, § 5824, § 6061, § 6066a, § 6068, § 9741(52), § 9701(12), § 5930, and 33 V.S.A. § 2503(d).*
Effective date July 1, 2024.

This year's miscellaneous tax bill includes a long-held VLCT priority: **authorizing municipalities to adopt a local option tax** – of one percent (1%) on sales, rooms, and meals – through a vote at an annual or special town meeting.

Municipalities can choose to approve all three, none, or any combination of local option taxes to address municipal revenue needs. With short-term rentals present in nearly every Vermont municipality, a new revenue source

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now exists to address local needs without lightening residents' pocketbooks.

The authorization includes a relief valve that allows the tax commissioner to reject or delay implementation of any more than five new municipal local option taxes in a calendar year. This provision is designed to ensure that the Tax Department can onboard municipalities successfully. We believe, from reviewing existing local option tax adoption data, this relief valve should not be a significant barrier. If it is, VLCT will advocate on members' behalf in the coming years.

The governor signed H.546 on June 3, 2024, and the Local Option Tax authorization becomes effective July 1, 2024.

The bill also includes several other provisions that affect municipalities, including:

- In cases of valuation appeal, the Property Valuation and Review (PVR) director may waive the requirement of continuing an appeal or court action until there is *no further right of appeal* if the director concludes that the value determined by an adjudicated decision is a reasonable representation of the fair market value of the parcel.
- The bill removes the $15 penalty from the property tax credit refund for late filing of credit.
- PVR may require municipalities to use certain valuations for property used for the transmission and distribution of electricity.
- The bill clarifies that real property owned by a county shall be subject to municipal property tax by the municipality in which the land or buildings are situated, with exemptions for public, pious, and charitable uses.

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H.629 (Act 106) – Municipal Tax Abatement and Tax Sales

H.629 (Act 106) *Amends 24 V.S.A. § 1535, § 5144, 32 V.S.A. § 6065, § 5252, § 5253, and § 5260.*

Effective date May 13, 2024.

With the governor's signature, Act 106(opens in a new tab) became law on May 13, 2024. All provisions were effective upon signature, with the exceptions outlined below:

- The amendments to 32 V.S.A. § 5252 made by Sec. 4 of this act **(notice of sale)** shall not apply to a property that was subject to a notice of sale prior to the effective date of this act.
- The amendments to 32 V.S.A. § 5260 made by Sec. 6 of this act **(redemption)** shall not apply to a property that has been sold at tax sale prior to the effective date of this act, except that, notwithstanding any provision of 1 V.S.A. § 214 to the contrary, the provisions of 32 V.S.A. § 5260(b) and (c) shall apply if, on the effective date of this act, 90 days or more remain until the end of the redemption period.

Tax Abatement Process Clarifications and Changes

- Allows any other municipal charges or fees for utilities or services to be eligible for abatement and allows abatement in which there are "clear or obvious" errors or mistakes.
- Requires the board of abatement to issue a written abatement decision with sufficient explanation of what was considered and what was

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decided.

- Allows the board of abatement to hear a group of similar abatement requests as a class and allows the taxpayer to decline status as a member of a class.
- Requires municipality to provide a new uniform notice of taxpayers' ability to request tax abatement.
- Allows municipalities to abate de minimis amounts of taxes for reconciling municipal accounts.
- Requires the Tax Department to provide a simplified notice regarding the homestead property tax credit for inclusion in property tax bill, including directing taxpayers to a resource for translation into the five most common non-English languages in Vermont.

Tax Sale Process Significant Changes

- Requires a taxpayer be delinquent for a period longer than one year before extending a warrant.
- Requires the municipality to offer a written reasonable repayment plan to delinquent taxpayers.
- Requires written notice, by certified mail, 30 days prior to delinquency and, if returned unclaimed, notice shall be provided to the last known address by first class mail *or by personal service* pursuant to Rule 4 of the Vermont Rules of Civil Procedure. The notice shall also be provided by email if the tax collector can acquire the email address of the delinquent taxpayer using reasonable effort *and* affixed to the front door of the

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property subject to tax sale if it has a structure.

- The mortgagee or lien holder of record must also receive notice 30 days prior to delinquency.
- A new standard statement warning of unpaid taxes and notice that a property will be sold at auction must include directions to a resource provided by the Tax Department for translation into the five most common non-English languages in Vermont.
- During the redemption period, the tax collector shall provide written notice to the taxpayer and public posting of notice between 90 and 120 days prior to the end of the redemption period using certified mail requiring a return receipt, directed to the last known address of the delinquent taxpayer. If the notice by certified mail is returned unclaimed, notice shall be provided by resending the notice by first-class mail *or by personal service* pursuant to Rule 4 of the Vermont Rules of Civil Procedure.

Working Group on Vermont's Abatement and Tax Sale Processes

Act 106 also creates a "Working Group on Vermont's Abatement and Tax Sale Processes" to assess how Vermont may balance fairness for delinquent taxpayers with the needs of municipalities. The Working Group will be composed of a representative appointed by Vermont Legal Aid, a representative appointed by the Vermont League of Cities and Towns (**Apply Here to be considered**), a representative appointed by the Vermont Bankers

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Association=, a representative appointed by the Vermont Housing Finance Agency, a representative appointed by the Vermont Municipal Clerks' and Treasurer's Association, a representative appointed by the Neighborworks Alliance of Vermont, a representative appointed by the Champlain Valley Office of Economic Opportunity Mobile Home Project, a representative appointed by the Vermont Assessors and Listers Association, and a representative with experience practicing real estate law appointed by the Vermont Bar Association.

The Working Group shall offer recommendations relating to:

1. Whether the State should change the law to allow a delinquent taxpayer whose property is transferred by a tax collector's deed, or a tax-lien foreclosure sale, to recoup all or part of the equity in the taxpayer's property in excess of the tax debt, fees, and interest for which the taxpayer's property is sold;

1. Whether further changes are needed to standardize the abatement process across Vermont municipalities;

1. Whether the State should require a minimum amount of tax debt before a tax sale can be initiated;

1. Whether the State should allow a tax sale to be initiated for blighted or dilapidated real estate that has been abandoned when taxes are delinquent for less than one year;

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1. A reasonable percent rate of monthly interest paid by delinquent taxpayers during the redemption period;

1. Whether the purchaser of a property at a tax sale should be allowed to secure the property against illegal activity, damage from exposure to the elements, deterioration, and potential fire prior to acquiring title to the property; and

1. A process for statewide collection of data relating to tax sales, including to whom the data could be reported, the values of properties sold at tax sales, the amounts and types of debts underlying tax sales, and descriptive data for properties subject to tax sales.

Act 106 directs Vermont Legal Aid to call the first meeting of the Working Group on or before August 1, 2024, and submit a written report to the House Committee on Ways and Means, House Committee on Government Operations and Military Affairs, Senate Committee on Finance, and Senate Committee on Government Operations on or before December 15, 2024, with its findings and any recommendations for legislative action, including proposed legislative language.

If you are interested, you can review all of VLCT's updates throughout the session on H.629.

S.55 – Open Meeting Law Changes

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S.55(opens in a new tab) *Amends 1 V.S.A. § 310, § 312, § 314, 17 V.S.A § 2640, and § 2680.*
Effective Date: July 1, 2024, except requirements for Communications Union Districts, which shall be January 1, 2025, and training requirement effective January 1, 2025.

Signed by the governor on May 30, 2024, S.55 creates requirements related to hybrid meetings, recording meetings, and new Open Meeting Law training.

With the COVID authority of municipalities to meet fully remotely sunsetting on July 1, 2024, the legislature tried to strike a balance between their desire to require all public bodies to meet in a hybrid fashion and the reality that most municipal bodies don't have the technology to do so. For state public bodies, that largely means a hybrid meeting requirement. **For municipal public bodies, it's a bit more complicated – and riddled with catch-22s that will inevitably lead to some confusion.**

Two Classes of Public Bodies: Advisory and Non-Advisory

The bill creates two classes of public bodies:

- Advisory bodies, which do not have supervision, control, or jurisdiction over legislative, quasi-judicial, tax, or budgetary matters; and
- Non-advisory bodies, which do have jurisdiction over legislative, quasi-judicial, tax, or budgetary matters.

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There will be lots of questions about what qualifies as an advisory body. **Right now, we know that things like selectboards, development review boards, and boards of abatement are non-advisory bodies.** We also know the intent of the legislation was that things like "garden clubs" be considered advisory bodies. VLCT's staff attorneys, the Secretary of State, and others will be working on these definitions in the coming months and years.
The big advantage for municipal advisory bodies is the ability to hold fully remote meetings most of the time.

Non-advisory municipal bodies will need to offer a physical location for their meetings and essentially return to pre-COVID Open Meeting Law. VLCT anticipates this will apply to most municipal public bodies.

Hybrid Meeting Requirement, Sort Of

There's a big caveat to this ability of advisory bodies to meet remotely or of non-advisory bodies to meet only in-person: "any resident of the geographic area in which the public body has jurisdiction, a member of a public body, or a member of the press may request that a public body designate a physical meeting location or provide electronic or telephone access to a regular meeting, but not to a series of regular meeting, special meetings, emergency meetings, or field visits." The request must be made in writing at least two business days before the meeting.

During debate, it was clear that the legislature did not want this to equate to a "hybrid meeting requirement", though it feels like one.

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The justification that it wasn't a hybrid meeting requirement? Municipalities can deny the request if the area is under a declared emergency, an all-hazards event, a new thing called a "local incident", or if granting the request would create an "undue hardship" on the municipality. Undue hardship is if an "action required to achieve compliance would require significant difficulty or expense in light of factors including the overall size of the entity, sufficient personnel and staffing availability, the entity's budget, and the costs associated with compliance."

"Local Incident" Exceptions

VLCT advocated for the new "local incident" concept. This allows a municipality impacted by "a weather event, loss of power or telecommunication services, public health emergency, public safety threat … or other event that impedes a public body to hold a meeting electronically or in a designated physical location" to hold a fully in-person or fully remote meeting when they would otherwise not be allowed to under law. The highest ranking elected or appointed officer needs to declare a local incident before exercising this right. As an example, if a selectboard – a non-advisory body - was impacted by a blizzard, it could declare a local incident and have a fully remote meeting during the blizzard with no physical location, despite the law requiring non-advisory bodies to have a physical meeting location.

Recording Requirement

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Perhaps the most distressing element of this bill is a recording requirement for all local non-advisory public bodies. Though there is an exemption if this requirement causes "undue hardship" on a municipality, the law now requires that non-advisory bodies record all meetings in audio or video form and post the recording for at least 30 days following "the approval and posting of the official minutes for a meeting." Given that no law requires the approval or posting of "official minutes", VLCT advises that you post your recordings for at least 30 days after your body either posts minutes *or* approves them. We'll have to ask the legislature for help clarifying that one next year. We also understand the legislature was told by the Vermont State Archives & Records Administration that such recordings need to be retained by the municipality for at least a year – though we have not been given that advice directly.

Training Requirement

Beginning January 1, 2025, all chairs of legislative bodies, town managers, and mayors will need to take an annual Open Meeting Law training developed by the Secretary of State. VLCT opposed this mandatory training requirement but will be working with the Secretary of State's office to petition that VLCT's training satisfies this requirement.

Other Important OML Changes

Included in the bill are:

- A new website posting requirement of "an explanation of the procedures for submitting notice of an Open Meeting Law violation to the public

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body or the Attorney General" and associated text from the new law.

- A new video recording and posting requirement for informational meetings held within three days of Town Meeting. The video must be posted within 24 hours of the meeting and stay up until the results of the annual meeting have been certified.
- Expanding from 10 days to 30 days the time period a municipality shall hold a hearing before it holds a meeting using the Australian ballot method of voting; and
- A new video recording and posting requirement for the hearings held before an Australian ballot system is used.

H.875 – Municipal Ethics

H.875(opens in a new tab) *Repeals 24 V.S.A. § 1984. Amends 24 V.S.A. § 2291 and 24 V.S.A. chapter 60, § 1991 – 1997.*
Effective date: January 1, 2025, except repeal of existing municipal ethics statutes takes effect upon passage and new training requirement takes effect September 30, 2025.

This bill creates a new uniform municipal code of ethics that most municipal officers will need to follow; requires municipal legislative body members and quasi-judicial body members to take training; requires municipalities to take, investigate, and enforce ethics complaints; and implements new record keeping and reporting requirements.

Since 2019, municipalities have been required to adopt an ordinance or a policy that defines conflicts of interest and outlines how violations will be

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enforced. VLCT estimates that most municipalities have done exactly that, as the State Ethics Commission recognizes 66 such policies on its website, and we're aware of many others that have used our own model conflict of interest policy or have charter provisions addressing ethics. Moreover, we receive nearly 100 inquiries from our members a year – which almost always receive the same advice: "take a look at VLCT's model conflict of interest policy and FAQs." But following the issuance of a report on municipal ethics(opens in a new tab), the State Ethics Commission proposed to discard these municipal authorities and instead create a statewide municipal code of ethics.

The House largely ignored VLCT's input on the bill – making small changes related to prohibited conduct definitions. The Senate significantly improved the bill, making changes to whistleblower protection provisions that, if they had passed, would have allowed any citizen to file a lawsuit against any municipal official they believed violated the state's new code of ethics, even offering punitive damages.

VLCT ultimately opposed the bill, in large part because of the deeply flawed nature of the one-size-fits-all approach that demonstrates a distrust of municipal officials, and also because of the new unfunded mandates put on municipalities.

The bill:

- Places two former municipal officials on the State Ethics Commission – one appointed by the Speaker and one by the Senate Committee on Committees.

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- Creates a uniform code of municipal ethics, including required recusal procedures and prohibited activities, that municipal officers must follow.
- Enables the State Ethics Commission to receive ethics complaints about municipal officials and *refer* them to municipal ethics liaisons for investigation and enforcement.
- Enables the State Ethics Commission to provide advisory opinions and guidance to municipal officials.
- Requires all members of legislative bodies and quasi-judicial bodies to take ethics training every three years.
- Requires training records to be maintained by the municipality or the municipal officers themselves.
- Directs the Ethics Commission to be the creator of ethics training (though they can approve other training vendors).
- Requires municipalities to post the code of ethics and enforcement mechanism of the code on their website and provide it to all municipal officers.
- Requires municipalities to designate an ethics liaison, within 30 days of the bill becoming law, to communicate with the State Ethics Commission.
- Requires municipalities to designate someone to receive complaints.
- Requires municipalities to maintain records of complaints and the disposition of those complaints.
- Requires municipalities to establish an investigation and enforcement ordinance, policy, or rule.
- Requires municipalities to report the number and outcome of any complaints to the Ethics Commission.

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- Creates a new whistleblower protection for municipal employees that is nearly identical to that which protects state employees.

Of note is that the bill gives no new resources to the State Ethics Commission or municipalities to undertake this work.

In May, VLCT wrote to Governor Phil Scott explaining our concerns about the bill, and requested that he veto the legislation. **On June 10, Governor Scott allowed H.875 to become law without his signature** and sent this letter to the legislature(opens in a new tab). Read Ted Brady's remarks in VLCT's June 11 public statement. We will do our best to help our members comply. We are committed to ensuring that municipal officials hold themselves to the highest ethical standards and are accountable to the people who elected them. The State Ethics Commission is given the authority to provide guidance and advice to municipalities, so **we encourage municipal officials to contact the Ethics Commission and ask any ethics questions they may have, as the commission is best suited to interpret the state code at this time.**

S.220 – Library Modernization

S.220 (opens in a new tab)*Amends 22V.S.A. § 67, § 69, § 172, 13 V.S.A § 1702, 22 V.S.A. § 105, § 143, § 606, and 16 V.S.A. §1624.*
Effective date July 1, 2024.

S.220, signed into law by the governor on June 3, 2024, primarily addresses library material selection, free speech, accommodations, and discrimination

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protections. However, sections 5 and 6 pertain to library governance, budgets, and library employee relationship within a municipality. The legal and governance structure of libraries varies greatly throughout Vermont. S.220 clarifies that trustees, managers, or directors of municipally owned libraries must:

- Adopt bylaws and policies governing the operation of the library; establish a library budget; hold regular meetings; and ensure compliance with the terms of any funding, grants, or bequests.
- Establish a library budget **for consideration by the legislative body of the municipality** for inclusion in the municipality's budget.
- A library director shall be under the supervision and control of the library board of trustees unless the employee relationship is otherwise specified in the municipality's charter or by written agreement between the legislative body of the municipality and the trustees.

H.883 – The Big Bill or FY25 Budget

H.883(opens in a new tab) *Amends statute in many titles and writes session law. Effective date July 1, 2024.*

Usually controversial and the last bill to pass each session, this year the House, Senate, and Governor Scott reached compromise with time to spare on the state's $8.6 billion fiscal year 2025 (FY25) budget. The governor signed H.883 on May 23, 2024. However, contingency and surplus funds included in the FY25 budget are used in H.887, the Property Tax "Yield Bill", to help buy

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down expected increases in education property taxes. The governor vetoed H.887 on June 6, and it's unclear at this time how that veto will affect the FY25 budget.

The $8.6 billion FY25 budget includes $2.2 billion of general funds (GF), $3.1 billion of federal funds (FF), $2.3 billion of education funds (EF), $374 million of transportation funds (TF), and $587 million of other funds. Remarkably, General Fund appropriations in this budget are only $10.0 million, or 0.46 percent, higher than the governor's recommended budget. Budget negotiators were keenly aware that projected revenues for FY24 and FY25 are expected to be a cumulative $111 million below FY23 revenue. Regardless, the FY25 budget was still able to meet all statutorily required reserves, meet all pension obligations, and make essential investments in housing, public safety, workforce, economic development, human services, and the environment.

Of note for municipalities, the budget provides new funding for:

- Three Regional Emergency Management Program Coordinators at the Department of Public Safety.
- Provides $1.8 million of GF to the Department of Environmental Conservation (DEC) to support S.213 initiatives relating to the regulation of wetlands, river corridor development, and dam safety.
- Provides $1 million of GF for local economic damage grants and transfer funding to the Emergency Relief Assistance Fund to support communities affected by the August and December federally declared disasters.
- Provides $250,000 of GF to the Department of Public Safety (DPS) for the Urban Search and Rescue Team.

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- Contingently appropriates (should FY25 revenues exceed FY25 appropriations): $3.5 million of GF to the Community Resilience and Disaster Mitigation Fund for structure elevation grants and $3 million of GF to the Dam Safety Revolving Loan Fund.
- Reallocates $36 million of ARPA funds to the Department of Public Safety for Federal Emergency Management Agency match and municipal support for hazard mitigation.
- Provides $1.86 million of GF to the Office of the Defender General for caseload relief.
- Provides $2.86 million of GF to the Judiciary for new positions to address the criminal justice system backlog and court security in addition to three new Superior Court judges.
- Provides $297,000 of GF to court diversion to address increased caseload.
- Provides $661,000 of GF to the Department of Corrections for the pretrial supervision and electronic monitoring programs outlined in S.195.

- Provides $300,000 for Community Justice Center support.
- Transfers $25 million from GF to EF to provide property tax relief to Vermonters.

Housing

We know housing is a top priority for local officials. The House had big plans this year, proposing a 10-year $900 million new taxpayer-funded housing

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plan. The Senate and Governor Scott strongly opposed this plan, citing hundreds of millions of dollars in existing affordable housing funding still available at the Vermont Housing Conservation Board, the Vermont Housing Finance Agency, and the Department of Housing and Community Development. This year's consensus was to support more modest increases to programs that have been working well and regulatory relief for builders and developers (see more under Housing, Community Development, Land Use).

New housing funding of note for municipalities in the budget:

- Provides $7.5 million of GF for Emergency Housing in addition to a $16.5 million GF one-time appropriation and a $20 million GF contingent appropriation.
- Provides $7.2 million of GF to the Department for Children and Families' (DCF) Office of Economic Opportunity for shelter bed expansion.
- Provides an additional $753,000 to support programs for homeless youth.
- Provides a $10 million contingent appropriation for shelter beds and permanent supportive housing.
- Provides $25.8 million to DCF for the Housing Opportunity Grant Program (HOP).
- Provides $900,000 of GF for the State Refugee Office to support transitional housing for refugees.
- Directs $1.2 million from the Opioid Abatement Fund for recovery residences, including supporting two new residences.
- Provides $16.5 million of GF to DCF for Emergency Housing.

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- Provides $1 million of GF to extend 10 DCF positions to support Emergency Housing.
- Provides $1 million of GF to the Department of Housing and Community Development (DHCD) for the Manufactured Home Improvement and Repair Program.
- Reallocates $25 million in ARPA funds to DHCD for a grant to the Vermont Housing Finance Agency (VHFA) for the Middle-Income Homeownership Development Program, the Vermont Rental Revolving Loan Fund, and the First-Generation Homebuyer Program.
- Reallocates $30 million in ARPA funds to the Vermont Housing and Conservation Board (VHCB) for the production and preservation of affordable rental and homeownership units.
- Contingent appropriations (should FY25 revenues exceed FY25 appropriations):

- $20 million of GF to DCF for Emergency Housing.

- $6 million of GF to DHCD for the Vermont Housing Improvement Program (VHIP).
- $4 million of GF to DEC for the Healthy Homes Initiative.
- $10 million of GF to DCF for shelter beds and permanent supportive housing.

See budget line items of interest below for a comparison with last year – in millions of dollars.

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Table Notes

Citations in parentheses refer to the section in the budget bill where those items are found

GF = General Fund

LOT = 30% local option tax share remitted to state

PILOT = Payment in lieu of taxes

SF = Special Funds

EF = Education Fund

FF = Federal Funds

TF = Transportation Fund

TIB = Transportation Infrastructure Bond

ARPA = American Rescue Plan Act

Budget Item	FY24	As Passed FY25
(GF) Homeowner Rebate (B137)	$16.5	$19.1
(GF) Renter Rebate (B138)	9.50	9.50
(GF) Tax Dept. Reappraisal and Listing (B139)	3.395	3.4
(GF) Municipal Current Use (B140)	18.6	20.05

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Budget Item	FY24	As Passed FY25
(LOT 30%) PILOT State Buildings (B142)	12.281	12.05
(LOT 30%) PILOT Montpelier (B143)	0.184	0.184
(LOT 30%) PILOT Correctional Facilities (B144)	0.04	0.04
(GF) Special Investigative Units (B206)	2.229	2.231
(GF/Interdept. Transfer) Criminal Justice Council (B221)	4.07	4.178
(SF) E-911 Board (B235)	4.795	4.901
(SF) Cannabis Control Board (B240)	5.681	6.062
(GF, EF, FF, Other) Education Finance & Admin. (B500)	36.411	41.342
(GF, SF, FF, Other) Education Services (B501)	492.131	351.718

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Budget Item	FY24	As Passed FY25
(EF) Special Education Formula Grants (B502)	229.822	264.650
(EF) State-Placed Students (B503)	19.00	20.00
(GF, EF) Flexible Pathways (B504.1)	10.143	11.362
(EF) Adjusted Education Payment (B505)	1,711.148	1,893.267
(EF) Education Transportation (B506)	23.52	25.306
(EF) Merger Support Grants (B507)	8.30	4.05
(EF) Education - Nutrition (B508)	0	20.4
(SF) Education - Afterschool Grants (B509)	4.0	4.0
(EF) Essential Early Education Grant (B510)	8.35	8.726

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Budget Item	FY24	As Passed FY25
(EF) Technical Education (B511)	17.03	17.882
(GF, EF) Teachers' Retirement (B513, B514, B514.1)	188.07	206.954
(GF EF) Retired Teachers' Health/Medical (B515)	53.741	62.108
(All Funds) Total General Education	2,815.340	2,936.531
(GF, Inter-Dept. Transfer) ANR Lands PILOT (B701)	2.675	2.689
(Property Transfer Tax) Municipal Planning Grants (D100)	0.87	0.90
(TF) Town Highway Structures (B911)	7.2	8.016
(TF, FF) Better Roads Program (B912)	0.478	0.481
(TF) Town Highway Class 2 Roadway (B913)	8.8	8.86

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Budget Item	FY24	As Passed FY25
(TF, TIB, FF) Town Highway Bridges (B914)	37.2	45.334
(TF) Town Highway Aid (B915)	28.6	29.533
(TF) Town Highway Class 1 Supplemental (B916)	0.128	0.129
(TF) Town Highway Non-federal Disaster Aid (B917)	1.15	1.15
(TF, FF) Town Highway Federal Disaster Aid (B918)	0.18	0.18
(TF, FF, Special) Municipal Mitigation Assistance (B919)	10.48	7.143
(SF, FF, ARPA) Vt Housing and Conservation Board (B811)	86.519	82.283

Resources used for FY25 Budget analysis:

- H.883 Committee of Conference Report – May 8, 2025 (136 pages)(opens in a new tab)

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- H.883 Committee of Conference Highlights (4 pages)(opens in a new tab)

- FY2025 Big Bill Web Report (at vermont.gov)(opens in a new tab)
- H.883 One-Time General Fund Contingency List (1 page)(opens in a new tab)

H.657 – Communication Taxes and Fees

H.657(opens in a new tab) *Amends 30 V.S.A. § 7501, § 7511, § 7513, §7521, § 7523, 32 V.S.A. § 3602b added, § 3618, § 3659, § 3803, § 5401, § 606, and 16 V.S.A. § 1624.*
Effective date July 1, 2024 (PILOT Fund Appropriation) and July 1, 2025 (communications property tax) and shall apply to grand lists lodged on or after April 1, 2025.

H.657 is an act modernizing Vermont's communications taxes and fees, with the stated purpose "to be more competitively neutral and to provide a financial structure that equitably and sustainably finances public benefits related to communications networks in the State".

The bill, signed by the governor on June 3, 2024, will update and change taxes and fees assessed on telecommunications and cable providers and certain digital services.

The bill repeals the 2.4 percent (2.4%) Universal Service Charge (USC) for landline, postpaid wireless, and interconnected Voice over Internet Protocol (VoIP) consumers and replaces it with a $0.72 monthly charge per access line.

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The 988 Suicide and Crisis Hotline has been added to the list of programs funded by the Vermont Universal Service Fund (VUSF).

Provisions affecting municipalities include:

- Adding all communications property to the grand list as real estate.
- Communications property owned by a nonmunicipal communications service provider shall be taxed at appraisal value.
- On or before May 1 of each year, the Division of Property Valuation and Review of the Department of Taxes shall provide the listers in each municipality with the valuation of all taxable communications property of any communications service provider situated therein as reported by such provider to the Division.
- The valuations provided to the listers pursuant to this section shall be used by the listers in determining and fixing the valuations of communications property for the purposes of property taxation.
- $150,000 is appropriated from the PILOT Special Fund to the Division of Property Valuation and Review in fiscal year 2025 for the purpose of creating a property valuation model for communications property.
- The Secretary of Transportation, in consultation with the Commissioner of Public Service and the Secretary of Digital Services, shall conduct a study concerning access to and use of the public right-of-way (ROW) in Vermont by telephone (wired and wireless) and broadband companies. Two studies were created to assess how to tax and charge communications property placed in the State ROW.

S.159 – County and Regional Government Study

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Effective upon passage.

S.159, signed by the governor on May 28, 2024, creates the **"County and Regional Governance Study Committee"** to "examine how to best strengthen county-level government in Vermont to enhance and optimize public safety, tax collection, and resource allocation".

The six-person Committee must be from geographically diverse regions of the state and have three current Representatives – not all from the same political party – who are the Chair of the House Committee on Government Operations and Military Affairs and two others appointed by the Speaker of the House, and three current Senators – not all from the same political party – who are the Chair of the Senate Committee on Government Operations and two others appointed by the Committee on Committees.

The Committee 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;

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- 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 may contract with one or more consultants to assist with research, preparation of the report, and any other assistance with the Committee's work deemed necessary by the Committee. The Chair of the Senate Committee on Government Operations shall call the first meeting of the Committee to occur on or before September 1, 2024, and 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 before November 1, 2025.

Regional Governance Technical Advisory Group.

VLCT is included along with the Department of State's Attorneys and Sheriffs, the State Court Administrator, the Vermont Association of County Judges, the Vermont Association of Planning and Development Agencies, the Vermont Municipal Clerks' and Treasurers' Association, the Vermont Regional Development Corporations, and the Vermont School Boards Association on a Regional Governance Technical Advisory Group.

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The Technical Advisory Group shall **analyze the subject matter being considered by the County and Regional Governance Study Committee and advise, assist, and provide recommendations** to the Study Committee, specifically on the structure and organization of county and regional government. The Vermont Bond Bank will convene the Technical Advisory Group before September 1, 2024, and shall participate in order to support improvements to local capacity.

Federal Funding Opportunities

S.159 also requires the Secretary of Administration to report to the **County and Regional Governance Study Committee** on federal funding opportunities resulting from the disaster declaration for the major flooding events of 2023 in the State, including the received federal funds, the status of pending applications for funding, and potential avenues for additional funds. The Secretary shall analyze the impact of Vermont's lack of robust county or regional governance on the receipt of federal emergency funding.

VLCT's Position

VLCT supports the evaluation of how best to ensure that government responds to its citizens' needs and largely supports this bill. However, during legislative deliberations, **we asked that the study focus more on encouraging and authorizing intermunicipal cooperation instead of studying county government.** VLCT feels the study may help further our legislative priorities regarding municipal capacity.

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H.887 – Property Tax Yield Bill

H.887(opens in a new tab) *Amends 32 V.S.A § 5401, § 5402, § 4016, § 4026, § 4028, §9701, 32 V.S.A chapter 225, subchapter 4 added, § 5414 added, 16 V.S.A. § 4025, § 563.*
Effective July 1, 2024, except property tax rates and yields upon passage.

The "Yield Bill" sets the homestead property tax yields and non-homestead rates and makes other policy changes to education finance and taxation. **The governor, as expected, vetoed the Yield Bill** due to an average property tax increase of 13.8 percent (13.8%) and a lack of cost containment measures included in the bill. Governor Scott will attempt to negotiate a new plan with legislative leadership before the veto session on June 17, 2024.

Provisions of the bill will:

- Create the Commission on the Future of Education with final recommendations and proposed legislation due December 1, 2025.
- Create the Education Fund Advisory Committee reporting December 15 annually on funding and financing Vermont's education system.

- Creates a new six percent (6%) cloud tax on software.
- Creates a new statewide three percent (3%) Short-Term Rental Surcharge.
- Sets the excess spending cap at 118 percent (118%).
- Uses $25 million of General Fund surplus to help buy down the property tax rate.

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S.305 – Miscellaneous Changes to the Public Utility Commission

S.305(opens in a new tab) *Amends 3 V.S.A § 165(b), 30 V.S.A. § 8(d), § 10(c), § 102(a), § 201, § 209, § 231(a), § 248(u), § 231, § 7004(c), § 8009, § 8124, § 8125, § 8126, 32 V.S.A § 3102.*
Effective upon passage.

This bill, signed by the governor on May 30, 2024, makes several changes to statutes related to the Public Utility Commission, including notice requirements and energy storage facilities.

Of most interest to municipalities, it authorizes municipalities to create and operate thermal energy networks.

Specific provisions impacting municipalities include:

- A municipality shall have the authority to construct, operate, set rates for, finance, and use eminent domain for a thermal energy exchange network utility without a certificate of public good or approval by the Commission.
- The Public Utility Commission shall issue a report to the House Committee on Environment and Energy and the Senate Committee on Natural Resources and Energy about how to support the development of thermal energy exchange networks and the permitting of thermal energy exchange network providers. The report shall address all aspects of the permitting, construction, operation, and rates of thermal energy exchange networks and recommend necessary statutory changes.

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S.209 – Prohibition of Unserialized Firearms

S.209(opens in a new tab) *Amends 13 V.S.A chapter 85, § 4019a, adds § 4027, 4 V.S.A. § 1102, 17 V.S.A adds § 2510.*
Effective upon passage.

This bill, also known as the Ghost Guns bill, prohibits firearms at polling places and creates a study on regulating firearms in municipal buildings. This bill also bans ghost guns or any unserialized firearms including frames and receivers.

Governor Scott allowed this bill to become law without his signature, citing concerns about the practicality and impact of regulating unserialized firearms but also agreeing that firearms should be serialized.

Provisions of S.209 most relevant for municipalities are:

- The possession of firearms at polling places on election day is prohibited.
- Firearms prohibition shall apply to the town clerk's office during any period when a board of civil authority has voted to permit early voting.

- Provides an exemption for a firearm carried by a person while preforming the person's official duties as an employee of the United States; a department or agency of the United States; a state; or a department, agency, or political subdivision of a state.
- Provides an exemption for firearms stored in a motor vehicle.
- Requires a notice of this section's provisions be posted conspicuously at each public entrance to each polling place.

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As the House debated the bill, supporters of H.525, a bill that would allow municipalities to ban firearms in town buildings, attempted to include broader authority in the bill. Instead, the House included language commissioning a report that evaluates:

- Whether the preferable approach is for the General Assembly to pass a statute prohibiting firearms in municipal buildings statewide or for municipalities to be provided with the authority to decide whether to pass an ordinance prohibiting firearms in municipal buildings;
- Whether a statewide prohibition should include a definition of the term "municipal building," and if so, what that definition should be; and
- Which municipal buildings should be covered, and which should not be covered by a prohibition on possessing firearms in municipal buildings.

H.704 – Pay Disclosure in Jobs Listings

H.704(opens in a new tab) *Adds 21 V.S.A. § 495o.*
Effective July 1, 2025.

The governor signed H.704 on June 4, 2024. The bill requires employers to include wage or salary information in employment advertisements. Vermont employers (including municipalities) with five or more employees will be required to include an hourly wage or annual salary, or a range, in any job advertisement. Employers are allowed to hire someone with a different wage than advertised in limited circumstances – such as labor market conditions and for candidates with special qualifications. The Attorney General is

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directed to issue additional guidance by January 1, 2025.

In a related but unsuccessful legislative effort this year, a majority of the Senate had cosponsored a bill – S.237 – that would have required municipalities to also post every job opening and include a salary range. VLCT testified against the bill, and it did not leave the Senate. VLCT hopes this larger initiative satisfies those who were supporting S.237.

S.102 – Expanding Employment Protections and Collective Bargaining Rights

S.102(opens in a new tab) *Amends 3 V.S.A. § 941, 16 V.S.A. § 1992, 21 V.S.A. § 1502, § 1581, § 1584, § 1724, Adds 21 V.S.A. § 495o.*
Effective July 1, 2024.

This bill, also known as the Captive Audience bill, prevents employers from taking a corrective action against employees who decline to attend or participate in "employer sponsored" or "required" meetings or communications in which the employer opines on "religious or political matters." "Political matters" means political affiliation, elections, political parties, but also includes an employer's decision to "join or support any … civic, community … or labor organization." The governor allowed this bill to become law without his signature, citing concerns that it would negatively impact the employer-employee relationship.

We believe the impetus for this new legislation was to prevent an employer from engaging in certain labor-avoidance campaign tactics. However, the

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broad language could have unintended consequences that allow employees to opt out of or refuse to attend routine workplace business, such as an employer's expression of support during a required/recurring staff meeting for a local non-profit or community organization. In addition, workplace discussion or all-staff emails about diversity, equity, and inclusion training, ESG investment discussions (investing into funds that take environmental, social, and governance factors into consideration), Earth Day events, discussions about public health or vaccination could fall within the new law because employees may find them political in nature. This means that an employer could still raise these subjects, but should evaluate with legal counsel whether to discipline an employee who skipped a work meeting because one of these topics was a subject.

In addition, the legislation makes it significantly easier for employees to unionize, without giving all potential unit members a say through an election. Under this new legislation, the Vermont Labor Relations Board (VLRB) can automatically certify a union as the exclusive representative of certain employees when the union presents the VLRB with over 50 percent (50%) of signed employee cards. An employer's ability to insist on a secret ballot election is a longstanding option when it is presented with signed cards. Employers have also long had the option to voluntarily recognize unions when presented with signed cards, but typically employers want an opportunity to share its perspective on the topic with employees and, more importantly, to make sure that every potential union member has a say in whether or not they want to form a union.

The bill is modeled after a bill Connecticut passed in 2022, which is currently subject to legal challenge in a federal court located in the Second Circuit

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Court of Appeals (the jurisdiction that includes Vermont). A challenge to this legislation in Vermont would be costly and time-consuming.

S.160 (Act 82) – State Education Property Tax Abatement for Flood Damaged Property

S.160 (Act 82)(opens in a new tab)

Effective Date February 7, 2024.

S.160 was the first flood relief bill of the session to pass. It was signed into law on February 7, 2024.

- This act allows a municipality to receive reimbursement of education property tax payments owed for properties that were considered lost or destroyed due to severe storms and floods in an area that was declared a federal disaster between July 1 and October 15, 2023.

- To be eligible for reimbursement for a property, the municipality must have abated education taxes in proportion to municipal taxes.
- Municipalities must complete eligible abatement by November 15, 2024 (an extension from the original date of April 15, 2024).
- For tax years 2023 and 2024, disaster relief payments are excluded from household income for calculating a homestead property tax credit.

H. 839 (Act 87) – Fiscal Year Budget Adjustment

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H. 839(opens in a new tab) ***(Act 87)*** (opens in a new tab)

Effective Date March 13, 2024.

Act 87 includes important flood relief for communities impacted by last year's floods. A total of **$22.5 million** in flood relief was appropriated to over 100 communities affected by flooding according to this impact found on pages 778-779. formula found on pages 778-779.

- Appropriations in Act 87 helped to support the local share of the match required for FEMA Public Assistance awards. In the end, FEMA will cover 90 percent (90%), the state will cover almost eight percent (8%) and municipalities will be on the hook for approximately two percent (2.%).
- $6.25 million appropriated in Act 87 will fund Local Economic Impact Grants based on damage reported to FEMA Individual Assistance (IA) and Public Assistance (PA), respectively. The distribution of funds between IA and PA is based on this allocation chart(opens in a new tab).

If you are interested in more details, you can review all of VLCT's updates throughout the session(opens in a new tab) on Flood Recovery.

S.213 – The Flood Safety Act

S.213(opens in a new tab) *Amends 10 V.S.A. § 752, § 754, § 755, § 901, § 916, § 918, § 919, § 1266, § 1274, § 1253(d) and chapter 43, 47 and 24 V.S.A. § 2291, § 4302, § 4382, § 4413, § 4414, § 4424.*

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Dam Safety Revolving Fund, Dam Registration Report, and Dam Design Rules) effective on passage; all other effective July 1, 2024, with conforming amendments to municipal river corridor planning effective on January 1, 2028, and municipal compliance with the State Flood Hazard Area Standards effective on January 1, 2026.

This act is a direct response to last year's intense flooding. It attempts to reduce flood impacts by regulating what type of development occurs in "river corridors", where most flood damage and associated expenses occur. The bill also addresses the protection of wetlands, which reduce flood impacts, and tackles dam safety, a concern of many communities that either suffered or were threatened by dam failures during the July 2023 flooding.

Governor Scott allowed S.213 to become law without his signature, citing concerns about the effects on roughly 45,000 parcels and 209,000 acres statewide. He also expressed frustration with the legislature's "practice of passing complex and significant policies without appropriate consideration of whether they can even be implemented." Throughout the session, he indicated he was likely to veto S.213 due to existing capacity concerns and staffing shortages at the Agency of Natural Resources (ANR) due to implementation challenges from recent climate change legislation (Climate Council, Clean Heat Standard, Global Solutions Warming Act) and the increased costs and increased staffing needed at ANR to fully implement S.213.

Provisions of the bill that will affect municipalities:

- Charges ANR with **mapping** river corridor areas starting in 2026. This includes identifying areas suitable for development that are located within existing settlements and that will not cause or contribute to

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increases in fluvial erosion hazards.

- Requires ANR to adopt rules **regulating new development** in river corridor areas by July 1, 2027, including requirements and process for a municipality to be delegated the State's permitting authority for development in a mapped river corridor *when* the development is not exempt from municipal regulation *and when* the municipality has adopted an ordinance or bylaw under 24 V.S.A. chapter 117 that has been approved by the Secretary and that meets or exceeds the requirements established under State rule.

- Requires ANR, by January 1, 2026, to establish a set of flood hazard area **standards** for municipalities to adopt for enrollment in the National Flood Insurance Program (NFIP).
- Creates a study committee on state administration of the NFIP to review and recommend how to **reduce vulnerability to inundation flooding**, including how and to what scale to shift responsibility for the administration and enforcement of the NFIP from individual municipalities to the Vermont Department of Environmental Conservation.
- Transfers regulation of most dams to Department of Environmental Conservation and **updates procedures for dam safety inspections** including public notice of unsafe dams and an annual report on dam safety to the legislature.
- Creates a **dam safety revolving loan fund** for both emergency and nonemergency projects.
- Creates a Study Committee on Dam Emergency Operations Planning to review and recommend how to improve **regional emergency action**

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planning for hazards caused by dam failure, including how to shift responsibility for emergency planning from individual municipalities to regional authorities, how to improve regional implementation of dam emergency response plans, and how to fund dam emergency action planning at the regional level.

- Charges ANR with producing a report on whether and how to establish criteria for waiving, reducing, or mitigating ANR permit fees for persons of low income or other criteria.

S.310 – Natural Disaster Government Response, Recovery, and Resiliency

S.310(opens in a new tab) *Amends 20 V.S.A. § 48; 20 V.S.A. § 49; 32 V.S.A. § 8557; 10 V.S.A. § 10; 20 V.S.A. § 2; 20 V.S.A. § 6; 20 V.S.A. § 31; 20 V.S.A. § 32; 20 V.S.A. § 41; 24 V.S.A. chapter 101; 24 V.S.A. § 3679; 24 V.S.A. chapter 97; 20 V.S.A. § 50; 30 V.S.A. § 7055; 20 V.S.A. § 4; 20 V.S.A. § 1; 20 V.S.A. § 8; 20 V.S.A. § 9; 20 V.S.A. § 11; 20 V.S.A. § 13; 20 V.S.A. § 17; 20 V.S.A. § 26; 20 V.S.A. § 30; 20 V.S.A. § 34; 20 V.S.A. § 39; 20 V.S.A. § 40.*
Effective Dates: July 1, 2024, except that Sec. 21 (related to language services in disasters) shall take effect on July 1, 2025.

Signed by the governor on May 30, 2024, this is the omnibus disaster planning bill in which legislators attempted to address the lessons learned from the July 2023 flooding. It makes large and small changes to the way the state prepares for and responds to disasters, including:

- Creating the Community Resilience and Disaster Mitigation Grant Program at the Department of Public Safety to provide municipalities

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with grants for technical assistance and project implementation related to climate adaptation and response. The fund received a $3.5 million infusion in the Big Bill.

- Increased funding for the Vermont Fire Service Training Council by $300,000 (paid for by insurance fees).
- Increased funding for EMS training by $300,000.
- Authorizing the Treasurer to use up to 2.5 percent (2.5%) of the State's cash on hand to finance climate infrastructure and resilience projects.
- Expanding the definition of "first responder" to include public works employees and others to ensure they are included in emergency preparedness planning. The legislature debated extending first responder death benefits to public works officials, but that was not included in the final bill.
- Adding local libraries, arts and culture organizations, regional development corporations, local business organizations, and community-based emergency or charitable food providers to the list of nonvoting members of regional emergency management committees.
- Establishing the chair of a municipality's legislative body as the emergency management director in the event of a vacancy.
- Directing Vermont Emergency Management (VEM) to amend the local emergency plan template to include siting of local and regional emergency shelters.
- Directing VEM to create a written after-action report of the July 2023 flooding response, including an evaluation of "the adequacy of early warning and evacuation orders, designated evacuation routes and emergency shelters, the ability to provide food and water where it is needed, the present system of local emergency management directors

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in wide-spread emergencies and the State's present emergency communications systems."

- Consolidating the authority to create stormwater utilities and stormwater utility rates in the same statute as wastewater systems. This includes language allowing stormwater rates to be set: "based on an average area of impervious surface on residential property within the municipality" and be used for "stormwater management, control, and treatment; flood resiliency; floodplain restoration; and other similar measures."

- Establishing the Urban Search and Rescue Team.
- Directing the E-911 Board to figure out how to use VT-Alerts more effectively in disasters.
- Directing VEM to provide language assistance services during an all-hazards event.
- Amending emergency powers of the governor.

H.687 – Transitioning to Location-Based Act 250 Jurisdiction & Municipal Zoning Preemption

H.687(opens in a new tab) *Amends multiple sections of Title 10, Title 24, Title 3, Title 32, Title 27, Title 9, and Title 20.*

Effective on passage, with several exceptions.

The legislature and the Administration worked diligently all year to turn last year's four summer study committees on land use reform(opens in a new tab)

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into a bill that strikes a balance between encouraging development where our state development goals want it to occur and discouraging it where we don't want it to occur.

VLCT largely supports the compromise, which gives many of our commercial centers a path to Act 250 exemption (a top priority in VLCT's Municipal Policy for the 2023/24 legislative biennium(opens in a new tab)), creates an Act 250 exemption for housing in smaller but densely settled areas, and sets a rulemaking process in place to map environmentally sensitive areas that need more protection.

The legislature was well aware of Governor Scott's desire to see more housing-development-friendly provisions in the bill throughout the session, and it remains to be seen if he and his administration see this bill as the housing bill they asked for, a land use conservation bill, or something in between. If the governor vetoes the bill, it's unclear whether the legislature has the votes to override it.

Four Key Reforms

VLCT broadly categorizes the several-hundred-page bill into four key reforms:

1. Extending and significantly expanding temporary Act 250 exemptions created in last year's Act 47, a welcome path to building housing now;

2. Creating new location-based jurisdiction for Act 250 that preliminarily relies on future land use maps and regional plans to exempt certain

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areas from Act 250 and increase Act 250 scrutiny in others by 2027;

3. Enacting new municipal land use pre-emptions and clarifying others established in 2023's Act 47; and

4. Establishing, amending, and repealing various housing and community development tools, including transitioning the state's designation program to the State Community Investment Program.

Notably, the bill does not adjust where Act 250 or municipal permit appeals are heard, something that was seen as veto bait by many in the State House. Instead, it commissions a study – one of about a half dozen contained in the bill.

Temporary Act 250 Exemptions

The bill's temporary Act 250 exemptions through January 1, 2027, include:

- Priority Housing Projects if they are located in designated downtowns, neighborhood development areas, or growth centers, or if they are within one-half mile around these centers (assuming they have permanent zoning and subdivision bylaws and are served by water or sewer or have adequate soils).
- The construction of 75 or fewer units of housing within a designated new town center, growth center, or neighborhood (if served by sewer or water or have adequate soils).
- The construction of 50 units of housing or fewer on 10 acres of land in designated village centers or within one-quarter mile of the boundary if

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they have permanent zoning and subdivision bylaws and are served by sewer or water or with adequate soils, or are in a "census-designated urbanized area" (Burlington) with over 50,000 residents and within one quarter mile of a transit route.
- For housing in designated downtowns with permanent zoning and subdivision bylaws served by public sewer or water or adequate soils.

The bill's temporary Act 250 exemptions through January 1, 2028, include:

- No permit amendment is needed for accessory dwelling units constructed on existing single-family dwellings, and those accessory dwelling units constructed do not count toward total units constructed in other projects.
- No permit is required for converting a commercial structure to 29 or fewer housing units.

The bill's temporary Act 250 exemptions through December 31, 2030, include:

- Retail electric distribution rebuilding projects are exempt (with qualifications).

Location-Based Jurisdiction for Act 250

Act 250 largely treats development anywhere in the state the same way: it requires a detailed look at various elements of every project that meets certain criteria. The new location-based jurisdiction triggers will exempt projects in certain geographic areas while increasing scrutiny in others. The bill lays out an elaborate process to map these areas, classify them, allow communities to apply for designation as an area eligible for exemption, and

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create new rules. The end result will be a tiered system of Act 250 jurisdiction:

Tier 1 A	Tier 1B	Tier 2	Tier 3
Municipalities can apply to exempt a geographic region from Act 250.	Municipalities can apply to exempt a geographic region from Act 250 ONLY for the construction of up to 50 units of housing on 10 acres or less or for mixed use development with 50 units or fewer of housing on 10 acres or less.	Act 250 as-is, with new jurisdictional triggers included in bill.	New rulemaking process to determine additional protections for "critical natural resources". Language included to ensure no municipality is disproportionally impacted.

In addition to these tiers, the bill includes a few miscellaneous exemptions from Act 250, including exempting certain accessory on-farm businesses from permits for construction or improvement for sale or storage of qualifying products, and exemptions for the conversion of hotels and motels to permanent affordable housing.

In return, in an effort to protect environmentally sensitive areas, a few new Act 250 hurdles would be erected to ensure that any development outside of those areas we want development to occur in happens in an environmentally

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sensitive way.

- A new road rule will trigger automatic Act 250 jurisdiction for construction or improvement (not just maintenance) if any single road is longer than 800 feet or any combination of road & driveways is longer than 2,000 feet. Municipal roads are exempt.
- Forest blocks and habitat connectors will be protected through a new rulemaking process.

Curious what tier your community might be eligible for? We are too, and we won't know until the maps and several rules are completed (likely in 2027 at best). But we do know that if your community is eligible for Tier 1 according to the map, it will also need to meet the following criteria:

	Tier 1A	Tier 1B
Process for Designation	Legislative body applies	Municipality asks to be "mapped"

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	Tier 1A	Tier 1B
Planning Requirements	• Municipal Plan • Consistent with downtown or village centers and planned growth areas, within approved future land use map designation • Permanent zoning and subdivision bylaws that do not have blanket exemptions for private and public land • Flood hazard and river corridor bylaws that apply to entire municipality are consistent with or stronger than certain statutory standards — *or* the proposed Tier 1A area excludes flood hazard areas and river corridor • Smart growth principles that regulate form and scale of development and allow for four stories	• Adopted and approved plan and planning process • Permanent zoning and subdivision bylaws (excluding flood hazard and fluvial erosion areas)

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	Tier 1A	Tier 1B
Infrastructure Requirements	Water and wastewater systems or planned improvements that have capacity to support development	Water, wastewater, *or* soils that can accommodate a community system
Staff	Municipal staff to support capital planning, development review, and zoning administration	Staff, officials, *or* contracted capacity to support development review and zoning administration
Previous Act 250 Permit Requirements	Municipalities must take over enforcement of preexisting Act 250 permits	

Municipal Land Use Preemptions

Some of VLCT's early concerns about municipal zoning preemptions remain in the bill. Towns will be required to permit quadplex housing anywhere single-family housing is allowed in water and sewer districts, which, when

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combined with last year's new fifth of an acre zoning requirement, may equate to a de facto 20 unit per acre new zoning standard. The bill also doubles down on parking preemptions from last year's Act 47 and preempts municipalities from having meaningful input on hotel and motel conversions to permanent housing.

Preemptions of Concern in H.687

On-Farm Businesses	Expands the definition of accessory on-farm businesses, removing the requirement that 50 percent (50%) of the annual sales are produced on the specific farm. 24 V.S.A. § 4412(11)
Planning	Removes municipalities' ability to veto a regional plan. 24 V.S.A. § 4348

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Multi-Family Units	Municipalities may not require more land for duplexes. Quadplexes allowed on the same size lot as single-unit dwellings. Prohibits density and minimum lot size restrictions for multi-unit dwellings. Density bonuses are rounded up Prohibits restrictions on unrelated occupants from residing in the same unit. 24 V.S.A. § 4412
Hotel/Motel Conversion	Adds "hotels and motels converted to permanently affordable housing developments" to list of uses with restricted municipal zoning authority. 24 V.S.A. § 4413

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Parking	Sets maximum parking spot size limit to 9 feet by 18 feet, with exceptions. Requires nonconforming parking spaces to count toward requirements when new residential units are being added to an existing unit. Allows municipalities to count adjacent parking for residential parking requirements. 24 V.S.A. § 4428

The bill also includes preemptions that are less concerning to VLCT, including a requirement that all appropriate municipal panels warn and notice a hearing within 120 days after receiving a complete permit application (24 V.S.A. § 4464). VLCT feels this timeline is workable for most municipalities.

We are happy to report that the bill includes one preemption we supported: increasing the appeal threshold of a municipal decision from 10 people to 20 people (24 V.S.A. § 4465).

Additional Provisions

The final portions of H.687 include a potpourri of changes to existing community and economic development programs and the creation of a few more. In such additional provisions, H.687:

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- Eliminates the local match requirement in the Municipal Planning Grant Program for municipalities without zoning or subdivision bylaws through July of 2027, prioritizing these applications for funding, and adds flood protection and climate resiliency to eligible uses.
- Creates a temporary Property Tax Stabilization Program for New Construction or Rehabilitation in Flood-Impacted Communities.
- Changes the state “Downtown” designation program to the “State Community Investment Program”.
- Codifies the Better Places Program and makes technical changes to the Code Improvement Tax Credit
- Increases the property transfer tax on second homes and increases the clean water surcharge on property transfers.
- Requires new health and safety disclosures for short-term rentals and requires new flood disclosures for both sale and rental property.
- Makes changes and provides funding for the Vermont Rental Housing Improvement Program (VHIP).
- Provides funding for the Manufactured Home Improvement and Repair Program.
- Calls for reports on:

- Vermont statewide and regional housing targets
- Feasibility of a state land bank program for housing
- Including rent payments in consumer credit reports
- Modernizing the landlord-tenant laws and evictions processes in Vermont

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H.612 – Miscellaneous Cannabis Amendments

H.612(opens in a new tab) *Amends 6 V.S.A. § 662(4), 7 V.S.A. § 864, § 868, § 869, § 881, § 907, § 910, § 951(8), § 952(e), § 955, § 977, § 978(f), 18 V.S.A § 4230(d), 20 V.S.A. § 2730(b), 24 V.S.A. § 4414a added, 32 V.S.A §7902, § 9741.*

Effective on passage, except that: (1) Sec. 6, 7 V.S.A. § 910, shall take effect on July 1, 2025; and (2) Sec. 16, setbacks for cannabis cultivation, shall take effect on January 1, 2025.

H.612 makes a number of changes to cannabis laws in Vermont regarding both retail sales and medical cannabis. Most important to municipalities, it allows municipalities to establish minimum set-back requirements for outdoor grow operations starting January 1, 2025.

Specific provisions of interest for municipalities:

There shall be the following minimum setback distance between the cannabis plant canopy and a property boundary or edge of a highway:

- 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.
- If the cultivation occurs outside of a 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 50 feet as established by the municipality;
- and (iii) if a municipality does not have zoning, the setback shall be 10 feet;

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Sets a process for municipalities to establish a cultivation district and calls for a report on siting and licensing of outdoor cannabis cultivation.

- A municipality, after consultation with the municipal cannabis control commission, if one exists, may adopt a bylaw identifying cannabis cultivation districts where the outdoor cultivation of cannabis is preferred within the municipality. Cultivation of cannabis within a cannabis cultivation district shall be presumed not to result in an undue effect on the character of the area affected. The adoption of a cannabis cultivation district shall not have the effect of prohibiting cultivation of outdoor cannabis in the municipality.
- On or before December 15, 2024, the Cannabis Control Board shall submit to the Senate Committees on Government Operations and on Economic Development, Housing and General Affairs and the House Committees on Government Operations and Military Affairs and on Commerce and Economic Development a report regarding the siting and licensing of outdoor cannabis cultivation. The report shall: (1) summarize the current impact of outdoor cultivation on local municipalities; (2) summarize the impact of establishing various siting requirements to existing licensed outdoor cultivators; (3) address whether and how to authorize municipalities to establish local cultivation districts; (4) address whether and how outdoor cultivation of cannabis should be entitled to the rebuttable presumption that cultivation does not constitute a nuisance under 12 V.S.A. chapter 195; and (5) recommend whether local cannabis control commissions established pursuant to 7 V.S.A. chapter 33 should be granted additional authority to regulate outdoor cannabis cultivators.

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- The Cannabis Control Board shall consult with the Vermont League of Cities and Towns, the Cannabis Equity Coalition, the Vermont Medical Society, the Cannabis Retailers Association of Vermont, and other interested stakeholders in developing the report.

H.868 – FY25 Transportation Bill

H.868(opens in a new tab) *Amends 19 V.S.A. chapter 29 § 10, § 13(c), § 306(a), § 1112, § 2905, § 2402, § 2403, § 2902, and § 2904(d)(2)(B). Adds 19 V.S.A. chapter 29 § 10n, § 319, and § 2904a; 23 V.S.A. § 361 and § 1025; and 5 V.S.A. § 3405.*
Effective Date for Municipal section is July 1, 2024.

The annual Transportation Bill, signed into law by the governor on June 3, 2024, sets the policy and budget for transportation programs funded with state and federal funds. It also funds one-time programs and makes miscellaneous changes to transportation laws. Of greatest concern to municipalities is the annual Town Highway Aid Program funding.

Provisions of interest to municipalities include:

- Municipalities can expect an average increase of seven percent (7%) over last year's Town Highway Aid funding. (This is the record high of $102 million for the Town Highway Aid Program.)

- Town Highway Structures and Town Highway Bridges programs saw the greatest increase.

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- Includes “Complete Streets” and municipal traffic calming design upgrades.
- 60 new state Park and Ride spaces funded (50 in Manchester and 10 in Sharon).
- New bike and pedestrian projects funded in 39 communities.
- 28 Transportation Alternative construction projects and 28 Transportation Alternative Desing projects funded in 46 communities.
- Continued funding of Electric Vehicle Supply Equipment (EV charging stations) and incentives for new EV purchases.
- One-time funding to support a Green Mountain Transit budget shortfall.
- Codifies the Better Connections Grant Program, which provides planning grants to aid municipalities in coordinating land use decisions and transportation investments that build community resilience and provide safe multimodal transportation systems, thereby supporting downtown and village revitalization efforts.
- Commissions another study to recommended how to fund Vermont’s public transportation system and transportation infrastructure in general, considering climate change and less use of fossil fuels.
- Establishes a new registration fee for electric vehicles to support electric vehicle infrastructure, i.e., charging stations.

H.872 – Establishing a Law Enforcement Officers’ Code of Conduct

H.872(opens in a new tab) *Amends 20 V.S.A. § 2355, 20 V.S.A. § 2371, 20 V.S.A. § 2401, 20 V.S.A. § 2407.*

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Effective on passage, except for enactment of the code of conduct, changes to sanctions for violating the code of conduct, and repeal of existing Category B conduct definitions that will be replaced with the Code of Conduct, which are effective January 1, 2025.

The legislature codified some of the recommendations of the 2023 Vermont Criminal Justice Council Authority Report,(opens in a new tab) most notably directing the Criminal Justice Council to adopt a Law Enforcement Officers' Code of Conduct. The new code will include holding officers accountable for some off-duty unprofessional conduct. The governor signed H.872 on May 29, 2024.

H.534 – Retail Theft

H.534(opens in a new tab) *Amends 13 V.S.A. § 2575, § 2577.*
Effective on July 1, 2024.

H.534, a compromise bill to increase the penalties for repeated retail theft, was passed on the final day of the session and was signed by the governor on May 30, 2024. H.534 increases the penalties for retail theft over $250.

- First offense: a fine of not more than $500 or imprisonment for not more than six months, or both.
- Second offense: a fine of not more than $1,000 or imprisonment for not more than two years, if the second offense occurs not more than two years after the first offense.

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- Third offense: a fine of not more than $1,500 or imprisonment for not more than three years, or both, if the third offense occurs not more than two years after the second offense.
- Fourth or subsequent offense: a fine of not more than $2,500 or imprisonment for not more than 10 years, or both, if the fourth offense occurs not more than two years after the immediately preceding offense.

All fines and sentencing are subject to judicial discretion.

H.563 – Attempted Auto Theft

H.563(opens in a new tab) *Amends 13 V.S.A. § 3705, 23 V.S.A. § 1094. Effective July 1, 2024.*

Vehicle thefts and break-ins erode public safety and quality of life and often support other crimes. The changes in H.563(opens in a new tab), signed by the governor on May 30, 2024, will assist in prosecuting such disturbances, as Vermont notably did not have laws covering such activity. Changes enacted in H.563 are:

Vehicle Trespass: If someone goes into another person's car without permission and knows they're not allowed to, they can be jailed for up to three months, fined up to $500, or both.

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- For a repeat offense they could face up to a year in jail, the same fine, or both.
- One does not need to be warned not to trespass for this to apply, as is currently the challenge with existing Vermont law.

Operating a Vehicle Without Owner's Consent:

- If someone takes, operates, or uses someone else's car without permission and should have known they didn't have the owner's consent, they could be fined up to $500.
- If they knowingly do it without permission and knew they didn't have consent, they could be jailed for up to two years or fined up to $1,000, or both.

S.195 – Considering a Defendant's Criminal Record in Imposing Conditions

S.195(opens in a new tab) *Amends 13 V.S.A. § 7030, § 7551, § 7554, § 7555 and § 7559a added, § 7559, 18 V.S.A. § 4253. Repeals 13 V.S.A § 7555 on December 31, 2030.*
Effective on Passage.

S.195, signed by the governor on May 30, 2024, allows the number of offenses with which a defendant is charged and the recent history of pending charges against a defendant to be explicit factors a court considers in imposing conditions of release. This is accomplished through:

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- Lifting the $200 cap on cash bail for individuals with multiple offenses who have been released on personal recognizance or conditions of release pending trial for another offense.
- Creates new pretrial supervision and monitoring programs for individuals with multiple offenses or violations of conditions of release. (Adequate funding for the program is in question as the budget provides $661,000 and the estimate from the Department of Corrections was $890,000.)
- Increases use and support for the Home Detention Program as an alternative to incarceration and to reduce the number of detainees at Vermont correctional facilities by accommodating defendants who would otherwise be incarcerated or pose a significant risk to public safety.

S.196 – Types of Evidence Permitted in Weight of the Evidence Hearings.

S.196(opens in a new tab) *Amends 13 V.S.A § 7553a.*

Effective July 1, 2024.

S.196, a one-page bill signed by the governor on May 23, 2024, increases the evidence allowed to be considered for violent crimes and denial of bail for a person charged with a felony.

H.645 – Expansion of Approaches to Restorative Justice

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H.645(opens in a new tab) *Amends 3 V.S.A Chapter 7, 7 V.S.A. § 656, and 18 V.S.A. § 4230b.*

Effective July 1, 2024 except Sec 1 and 8.

The pre-trial diversion bill would create a pre- and post-charge diversion for certain eligible first-time and low-level offenses. It also proposes to create a post-adjudication reparative program governed by memoranda of understanding that is required to outline eligible offenses, a process to supplement eligible offenses, evidence-based screening procedures, and confidentiality provisions.

The governor vetoed this bill, citing that he understands the desire to help those, particularly youth, who need second, third, and even fourth chances to get their lives back on track, but H.645 is not workable because the bill expands the responsibilities of the Office of the Attorney General, which will require additional resources that were not funded. The Attorney General is hoping for a veto override, expressing that her office is prepared to do this work. Advocates for restorative justice programs point to the programs' ability to lessen the courts' caseload by diverting low-level cases instantly to those programs.

H.72 – Safe Injection Site in Burlington

H.72(opens in a new tab) *Amends 18 V.S.A. § 4256, § 4475(a)(2), § 4478, adds § 9435(g), redesignates § 4254.*

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Effective on passage.

After years of discussion and debate, the legislature passed a bill that would create a pathway toward a safe injection facility in Burlington where individuals can consume pre-obtained illegal drugs and also have access to harm-reduction supplies, drug-checking services, addiction treatment, medical services, and overdose reversal medications.

The governor vetoed H.72 on May 30, 2024. The legislative leadership is committed to try to override Governor Scott's veto on June 17, 2024. H.72 will grant $1.1 million in fiscal year 2025 Opioid Settlement funds to the City of Burlington for establishing an overdose prevention center upon submission of a grant proposal approved by the Burlington City Council.

S.58 – Raise the Age and Sale of Drugs with Death Resulting

S.58(opens in a new tab) *Amends 33 V.S.A. § 5201, § 5203, § 5204, § 5201(d), § 5103(c), § 5206, 18 V.SA. § 4201, § 4233a, § 4234, § 4233b, § 4250, § 4252a added, § 4254(j) added.*
Effective July 1, 2024, except sections 7-11 take effect on April 1, 2025.

The governor signed this controversial piece of legislation on May 29, 2024.

Reducing the age to be criminally charged as an adult and discussing punishment for selling drugs resulting in death, led to many uncomfortable debates for some legislators.

S.58 will:

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- Add increased penalties for dispensing Fetanyl and Xylazine.
- Create a two-year minimum prison term for selling or dispensing a drug with death resulting.
- Add crimes committed with a firearm to the list of "big 12 crimes" for which a juvenile can be tried as an adult.
- Push back some implementation of Vermont's "raise the age" legislation, which Governor Scott requested in his first address to the legislature this session, calling his past support a mistake.

H.622 – EMS Equity

H.622(opens in a new tab) *Amends 18 V.S.A. § 901, § 908, § 909, 24 V.S.A § 2689, 32 V.S.A § 8557.*

Effective on passage, except Section 8 and 9 take effect on July 1, 2024.

H.622, signed by the governor on June 4, 2024, provides supports for a more comprehensive and effective emergency medical services system. The bill strives to provide better access to grants and reimbursement for medical services to providers that offer basic emergency medical services training at low or no cost to participants and supports geographic equity among the emergency medical services districts. The bill also increases funding to the Vermont Fire Service Training Council and EMS Advisory Committee.

The bill provides new funding for reimbursement of emergency medical service providers for Medicaid beneficiaries not transported during an

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emergency. The bill also calls for the EMS Advisory Committee to collect the data necessary to conduct a complete inventory and assessment of the EMS services currently available in Vermont and to provide recommendations for the design of a statewide EMS system.

S.189 – Mental Health Response Service Guidelines

S.189(opens in a new tab) *Adds 18 V.S.A. § 7269, adds 33 V.S.A. § 6309. Effective July 1, 2024.*

S.189 was signed by the governor on May 23, 2024. The provision of most interest to municipalities directs the Department of Mental Health to develop guidelines and recommended best practices for use by municipalities (including emergency medical technicians, public safety personnel, and firefighters who are employed, volunteer, or are under contract) for de-escalation and mental health response services, including crisis response services.

In developing the guidelines, the Department shall consult with the: Department of Health; Department of Disabilities, Aging, and Independent Living; Department of Public Safety; Vermont Care Partners; Vermont Psychiatric Survivors; Vermont chapter of the National Alliance on Mental Illness; Vermont Criminal Justice Council; **Vermont League of Cities and Towns**; Disability Rights Vermont; Department of Mental Health's State Program Standing Committees; and any other stakeholders the Department of Mental Health deems appropriate.

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H.585 – Amending the Pension System for Sheriffs and Certain Deputy Sheriffs

H.585(opens in a new tab) *Amends 3 V.S.A § 455, § 459, § 489, 32 V.S.A § 1182.*

Effective July 1, 2024.

The governor signed H.585 on May 30, 2024. The bill, which adjusts state pension plans for county sheriffs and deputy sheriffs, was supported by county sheriffs to help address recruitment and retention concerns.

A notable change is a 30 percent (30%) cut in salary for any sheriff who is not a certified law enforcement officer. The bill also calls for a report on the current funding sources and procedures for compensating State's Attorneys as well as maintaining State's Attorneys' offices' operations, including existing or needed procedures for reducing compensation for State's Attorneys who have their attorney license suspended or terminated. Both provisions are aimed at controversies in Franklin and Addison counties, respectively.

H.55 – Miscellaneous Unemployment Insurance Amendments

H.55(opens in a new tab)

- This bill did not make it across the finish line despite several popular provisions. It's unclear if the Senate will take this bill back up when they convene for a veto session on June 17, 2024. The bill would affect:

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- Firefighter Cancer Screening Grants: The bill would require the Vermont Division of Fire Safety to subsidize the cost of providing cancer screening to all Vermont professional and volunteer firefighters, as well as all enrollees in the Vermont Fire Academy Firefighter I program. Funding was contingent upon final appropriations.
- Unemployment Insurance (UI) Amendments: The bill would extend the period for which individuals can collect UI benefits without affecting employers' contributions, allow the Department of Labor to waive overpayments, and impose penalties for false statements related to UI benefits. These changes were expected to have minimal fiscal impacts.
- Unpaid Leave: The bill would amend the current statute to replace the term illness with a medical condition such as rehabilitation from an accident, illness, injury, disease, or physical or mental condition including treatment for substance use disorder.
- Workers' Compensation for PTSD: The bill would shift the burden of proof for PTSD claims onto the State for certain State employees, potentially increasing annual workers' compensation insurance costs.
- Vermont Baby Bond Pilot Program: The bill would establish a trust for designated beneficiaries born after July 1, 2024, with an initial deposit of $3,200 per individual. The program aims to provide financial support for education, housing, business investment, or retirement for children from low-income households.

Charters Adoptions and Changes Approved

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- **H.862 – Town of Barre Charter Amendment** regarding the Board of Civil Authority to annually elect a Chair and Vice Chair on or after February 1.
- **H.881 – City of Burlington Charter Amendment** regarding credit and borrowing for Burlington Electric up to $10 million.
- **H.869 – Merger of Brandon Fire District No. 1 and Brandon Fire District No. 2**.
- **H.888 – Town of Hartford Charter Amendment** regarding Warrant Information Nights, appointments to the School and Town Meeting Committee, terms of the Town and School Moderator, modifies quorum and majority vote requirements for Selectboard actions, designates the Town Manager as the Delinquent Tax Collector, and enables the Town Treasurer to appoint an Assistant Town Treasurer.

- **H.885 – Town of Berlin Charter Amendment** authorizing the Town to assess a one percent (1%) sales tax, a one percent (1%) rooms tax, and a one percent (1%) meals and alcoholic beverages tax.
- **H.503 – Town of St. Johnsbury Charter Amendment** granting authority to enact ordinances regarding garbage collection, building construction standards, and public safety measures. Allows voters to petition for advisory votes on nonbinding issues if at least five percent (5%) of voters sign the petition. Defines the roles and terms of elective and appointive town officers, including the Select Board, Town Clerk, Treasurer, and Moderator. Sets guidelines for compensation of town officers and employees, with specific procedures for setting Select Board member compensation. Grants the Select Board authority to enact ordinances related to vehicle parking, animal control, department creation, and

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conducting investigations. Establishes the position of Town Manager with responsibilities including policy implementation, budget preparation, and personnel management. Outlines procedures for property taxation, including special assessments for public improvements and the creation of a downtown improvement district. Grants the town authority over its water and wastewater systems, including setting rates and regulations. Requires periodic review of the town charter by a committee to recommend improvements to town governance.

- **H.516 – City of Essex Junction Charter Amendment** removes employment restrictions for City Council members, the Moderator for City Informational Meetings be appointed by the City Council rather than elected, and to have the annual meeting set by the City Council annually on or before January 1 rather than by the voters at each annual meeting.
- **H.518 – Town of Essex Charter Amendments** authorizes the Town Selectboard to allow the Town to adopt fees for certain licenses, establish a procedure for the recall of Selectboard members, replaces the Zoning Board of Adjustment with a Development Review Board, and generally reorganizes the charter.
- **H.554 – Town of South Hero Charter Adoption.** A charter is enacted to govern the organization and operation of local government in the Town of South Hero. The town remains a municipal corporation by the name of the Town of South Hero. Elected officers shall be those required for towns by State law and elected by Australian ballot. They have powers and duties as outlined in the charter and State law. The Selectboard appoints additional Town officers such as a Delinquent Tax Collector

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and three Town listers. Appointed officers serve as per Selectboard's terms, with defined qualifications and duties. A Town Auditor is annually appointed by the Selectboard, performing statutory duties and additional duties specified by the Selectboard. A financial audit of all funds of the Town is conducted by a licensed public accountant every three years. If any provision of the charter is held invalid, other provisions remain unaffected. The Town of South Hero can adopt, amend, repeal, and enforce ordinances to execute its granted powers. The Selectboard can impose a one percent (1%) local option tax on rooms, meals, or alcoholic beverages. Revenue from this tax is used for property maintenance and projects within the Town.

- **H.801 – Town of Waterbury Charter Adoption** enacts the adoption of the charter of the Town of Waterbury. Authorizes the Town Selectboard to levy a one percent (1%) tax on sales, meals, alcoholic beverages, and rooms. The tax will be collected and administered by the Department of Taxes. Additionally, it grants the Municipal Manager the authority to hire, appoint, discipline, and remove all Town employees, subject to the provisions of personnel rules approved by the Selectboard. The Municipal Manager may delegate some of these powers to department heads, with their appointments requiring approval from the Selectboard.
- **H.886 – City of South Burlington Charter Amendment** creates a Board of School Directors consisting of seven members. Four members will serve three-year terms, while three members will serve two-year terms. Present School Directors will continue to serve until their terms expire and successors are elected. Elections will be held on the first Tuesday in March 2025, with two members elected for three-year terms and two members for two-year terms. Subsequent elections will follow this

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pattern, with directors elected at large.

- **S.141 – Fairfax Fire District No. 1 Charter Adoption** creates Fairfax Fire District No. 1, within the corporate limits presently established, shall continue to be a fire district and municipal corporation by the name of the Fairfax Fire District No. 1. The boundaries of Fairfax Fire District No. 1, as recorded with the Town of Fairfax, are bounded on the north by Bessette Road, the west by Highland Road, the south by Brick Church Road, and the east by Vt Route 104.

VLCT Study Committee Engagements

- **H.629 (Act 106)** – **Working Group on Vermont's Abatement and Tax Sale Processes.** Vermont Legal Aid is charged with convening by August 1, 2024, and issuing report to Legislature by December 15, 2024.
- **S.159** – VLCT is charged with participating in the **Regional Governance Technical Advisory Group**, supporting the work of the Legislative County and Regional Governance Study Committee, September 1, 2024, to November 1, 2025.
- **S.209** – **Report on Firearms in Municipal Buildings** to be issued by the Office of the Secretary of State, VLCT, and the Municipal Clerks' and Treasurers' Association. Due on or before January 15, 2025.
- **S.55** – **Working Group on Participation and Accessibility of Municipal Public Meetings and Elections**, including two VLCT appointees, charged with improving the accessibility of and participation in meetings of local public bodies, annual municipal meetings, and local elections

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and increasing transparence, accountability, and trust in government. Chaired by the Secretary of State and responsible for a written report due to the Legislature by November 1, 2025.

- **H.612** – The Cannabis Control Board shall **consult** with VLCT, the Cannabis Equity Coalition, the Vermont Medical Society, the Cannabis Retailers Association of Vermont, and other interested stakeholders regarding the siting and licensing of outdoor cannabis cultivation and submit report required to the Senate Committees on Government Operations and on Economic Development, Housing and General Affairs and the House Committees on Government Operations and Military Affairs and on Commerce and Economic before December 15, 2024.
- **H.882** – **State Building Naming Study Committee & Report.** VLCT is named to a committee charged with developing a process for naming State buildings that addresses who should have the authority, who should be involved, methods for petitioning to name a building and requirements for a nexus between the name and the building. A report is due by February 15, 2025.
- **H.687** – The "Act 250 Bill" included five different studies, work groups, and stakeholder groups that VLCT was named to.
    - Section 11a: **Act 250 Appeals Study.** The Land Use Review Board must convene a stakeholder group, including VLCT, as it compiles a report on whether to transfer Act 250 appeals of permit decisions and jurisdiction opinions to the Land Use Review Board from the Environmental Division of the Superior Court. The report is due January 15, 2026.
    - Section 22: **Tier 3 Rulemaking.** The Land Use Review Board and the Secretary of Natural Resources shall convene a stakeholder working group before January 1, 2025, to provide input on the

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required rule establishing Tier 3.

- Section 37a: **Transportation Support Study.** The Agency of Transportation is directed to consult the Vermont League of Cities and Towns, and others, as it prepares a report for December 15, 2025, evaluating what revenue the state receives through Act 250 for transit support.
- Section 50: **Regional Planning Commission Study.** The Vermont Association of Planning and Development Agencies is directed to convene a stakeholder group, including the Vermont League of Cities and Towns, as it studies "strategic opportunities for regional planning commissions to better serve municipalities and the State."
- Section 11: **Land Bank Report.** VLCT is directed to "analyze the feasibility of a land bank program" with the Department of Housing and Community Development and submit a report by December 15, 2024.

- **H.868** – The FY25 Transportation Bill requires the replacement of the current Vermont State Design Standards with a draft no later than January 1, 2026. VLCT is named to the Stakeholder Advisory Group, which has already started meeting.
- **S.253** – Deja vu … the legislature created another study committee – technically a working group – to recommend how to increase compliance with Residential Building Energy Standards and Commercial Building Energy Standards. VLCT sat on a very similar study committee last year that resulted in the Department of Public Service issuing a report to the legislature in December 2023(opens in a new tab). VLCT will appoint a representative to this committee which has two reports due to the legislature – in November of 2024 and 2025, respectively.

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