WLR January 21: Early Testimony, Proposals for Housing Production, the First Bills

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Week two of the 2025 session is a wrap and the work of VLCT's Advocacy team is well underway. We have testified before both the House and Senate Committees on Government Operations; before the House Committee on General Affairs and Housing, we joined dozens of housing advocacy partners for a press conference at the State House; and we joined our partner organization Green Mountain Water Environment Association(opens in a new tab) to discuss Vermont's drinking water, wastewater, and storm water sector with lawmakers.

Both the House and Senate have begun moving bills, committee priorities are taking shape, and the annual budget adjustment is already under debate. The various legislative caucuses are reorganizing to start their work on climate action, flood response, rural challenges, and more. We're excited for the work ahead and see many opportunities to advance new solutions for the most urgent challenges facing Vermont's municipalities.

In this *Weekly Legislative Report* we update you on much of the early momentum to increase housing production across the state. We also summarize our testimonies to the two Government Operations committees with VLCT's requests related to Open Meeting Law and local elections.

Let's Build Homes! VLCT Joins a New Coalition

VLCT has officially signed on to a new coalition that is already making waves, and Josh and Samantha were proud to stand with dozens of partners and allies (new and old!) at a recent press conference(opens in a new tab) to call for urgent action for new home construction.

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Hundreds of organizations and individuals have joined VLCT in signing on to Let's Build Homes(opens in a new tab) mission of creating a future of housing abundance for households of all backgrounds and income levels in Vermont while preserving the state's unique character and cherished landscape.

The diversity of leadership supporting the Let's Build Homes agenda reflects the scale and effects of Vermont's housing crisis. Let's Build Homes is spearheaded by former Burlington Mayor and former VLCT president Miro Weinberger(opens in a new tab), and the coalition includes major Vermont employers (e.g., BETA Technologies), the state college system and private institutions (e.g., Middlebury College), health care providers (e.g., University of Vermont Medical Center and Southwestern Vermont Medical Center), lawmakers, non-profits, housing developers, builders, financial institutions (e.g., Northfield Savings Bank), business chambers, recreation and tourism organizations (e.g., Killington Pico Ski Resort and Kingdom Trail Association), and more.

As Miro said in his remarks, "Half our renters are cost burdened. Young families can't afford to put down roots. Businesses can't grow because workers can't find homes. For the third consecutive year, Vermont has one of the highest homelessness rates in the country. **But this crisis is solvable**."

The legislative agenda of Let's Build Homes for 2025 reflects VLCT's major priorities:

- Provide municipalities a new housing infrastructure program to finance the public infrastructure that makes new homes possible

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- Allow communities to realize the housing they envision and approve in local permits by reforming the appeals process

- Ensure that the new Act 250 tier maps create substantial new opportunities for housing

You can sign on to join Let's Build Homes as an individual or municipality by visiting letsbuildhomes.org(opens in a new tab).

Early Momentum Behind VLCT Proposals to Increase Housing Production

Two clear priorities are rising to the top of this legislative session: increasing housing production and decreasing property tax burdens for Vermonters. As local officials, you know that these issues are inextricably linked.

In his testimony to House General Affairs and Housing(opens in a new tab) last week, VLCT's Director of Intergovernmental Affairs Josh Hanford laid out our proposals to tackle both this year.

- **Housing Infrastructure**: Both the current Act 250 exemptions and the ongoing map making and rule setting process kicked off by Act 181 have tied together areas for future growth with municipal water and wastewater infrastructure. To realize the new homes that municipalities have envisioned and allowed for in local bylaw, the state needs a plan to fund the necessary infrastructure to support it. **VLCT and many of our partners have proposed a new authority for municipalities to borrow**

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money, build or extend water and sewer for new developments, and then use the new grand list revenues from the finished housing project to pay down the debt. This would allow local communities and housing developers to invest in public infrastructure without zapping state or local general funds or raising costs for current ratepayers and taxpayers.

- **Short-Term Rental Regulation and Revenues**: The advent of the short-term rental (STR) industry in Vermont has been a mixed bag for municipalities. In some communities, STRs have brought exciting new opportunities for tourism and have reinvigorated the local economy. For others, too many STRs have come to town too quickly and are adding pressure to the local housing inventory. Across the board, local officials are struggling to come up with the local resources and staff to appropriately regulate fire safety and manage wastewater, public safety, and other affected services. **VLCT proposes a new local option tax just for short-term rentals**. Local officials could use those revenues as needed for housing creation, economic development, new regulatory tools, or to lower municipal property taxes.

- **Permit appeals reform**: Vermont land use law requires that robust, democratic public processes go into decisions about what type of housing can be built and where. Town plans, regional plans, ordinances, zoning, and even permitting approvals all offer numerous opportunities for the public to be heard. The problem is that after a community goes through all this to create a shared vision for the future – and to prescribe what type of development is wanted, needed, and allowed in their town

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– a small group of people can hold up any project for almost any reason through appeals. **VLCT proposes that the legislature sustainably limit the right to appeal permitted housing developments within designated areas.** These appeal processes are divisive and cost both developers and the public an excess of time, money, and stress. All too often, the threat of a long and expensive appeal can stop a project from ever being built.

- **Local Option Tax and the PILOT Fund surplus**: We dug into this in last week's *Weekly Legislative Report*(opens in a new tab) in the section "Point of Agreement: Lower Property Taxes".

Improve Transparency: Our Testimony to Committees on Government Operations

On Friday, our Advocacy Team testified before both the House and Senate Committees on Government Operations(opens in a new tab) (about 26 minutes in). We gave lawmakers an overview of VLCT's programs, policies, and services and started to dive into some of our specific proposal for this session related to expanded municipal authorities, including:

- to ban firearms in municipal building with a process to opt out by town vote

- to provide a monetary cap for liabilities (such as the legislature has enacted for state government)

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- to employ the prudent fiscal practice of creating an unassigned fund balance

We also started a discussion on our requests to make technical changes to Open Meeting Law and election law – more on that below.

We expect that these issues and more will bring us to testify again before these committees often in the weeks ahead, and we look forward to partnering with Senate chair Collamore and House chair Birong to help Vermont's cities and towns meet the obligations and functions of today's local government.

Open Meeting Law Fixes and Election Law Misses

Over time, our Municipal Assistance Center (MAC) team, while working with local municipal officials, has encountered areas of Vermont election law which are unclear, conflict with other statutes, or may create unworkable vacancies or conflicts within the systems of local government. Similarly, the MAC attorneys have encountered a number of bumps and wrinkles in the newly reformed Open Meeting Law.

VLCT is requesting legislative action this session to remedy these issues by adopting the technical corrections we have provided. You can find our testimony regarding Open Meeting Law(opens in a new tab) and our list of technical corrections for elections statutes(opens in a new tab).

One muddy section of statute has caused a lot of confusion in the lead up to Town Meeting Day and has prompted one town to take extraordinary steps to affirm recent elections(opens in a new tab).

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In our testimony we asked for urgent action to clarify 17 V.S.A. § 2680 (b) (opens in a new tab) **regarding the method of voting for town officials before Town Meeting Day 2025**. Many towns elect local officers by Australian ballot. That's fine – but may not be fine if the town is also taking floor nominations and conducting a voice vote for the meeting Moderator or other offices(opens in a new tab) (like Cemetery Commissioner). Both committees were receptive and are eager to help, and VLCT will continue working with our partners in the Secretary of State's office, the Vermont Municipal Clerks and Treasurers Association, and with lawmakers to find a remedy as soon as possible.

GMWEA Legislative Day

Green Mountain Water Environment Association (GMWEA) is a nonprofit membership organization that supports Vermont's drinking water, wastewater, and storm water sector in protecting public health and preserving the natural environment. GMWEA is an important advocacy partner for VLCT on all water quality issues, and we were happy to join them at the State House on Friday to talk with lawmakers about some of our joint priorities including 3 Acre Permit reform, infrastructure investment, and how to manage PFAS in municipal treatment systems.

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What We're Tracking

A number of bills have been introduced already, and we will track their progress throughout the session. Here are a few with potential municipal effects. On each bill's status page, click on the link in the white "Bill/Resolution Text" box.

- S.4 - An act relating to maintenance and use of legal trails(opens in a new tab)

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- H.1 - An act relating to accepting and referring complaints by the State Ethics Commission(opens in a new tab)
- H.6 - An act relating to marriage license fees(opens in a new tab)
- H.10 - An act relating to approval of amendments to the charter of the City of Barre(opens in a new tab)
- H.16 - An act relating to repealing the Affordable Heat Act(opens in a new tab)
- H.17 An act relating to approval of the adoption of the charter of the Town of Morristown(opens in a new tab)

All House bills released for introduction can be found here(opens in a new tab), and all Senate bills can be found here(opens in a new tab).

Stay Involved

The session has just begun, and our advocacy team already has a lot of irons in the fire. To be successful, Josh and Samantha will **need your input and participation** in VLCT's advocacy work. Don't forget to register to attend our **bi-weekly Advocacy Chats**(opens in a new tab), which will be held via Zoom every other Monday at 1 PM starting on January 27.

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- You can find (and share) this legislative report and future reports and alerts on our main Advocacy webpage(opens in a new tab).

- To support VLCT's advocacy work; participate in policy development, testimony, and legislative actions; or just learn more, reach out to Josh and Samantha by email at jhanford@vlct.org(opens in a new tab) and ssheehan@vlct.org(opens in a new tab).

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