WLR January 27: Reports on Cannabis Siting, Guns in Municipal Buildings, Reappraisals, and More We're almost halfway to crossover and it's time to get into the weeds. Bills are moving, and the governor has unveiled several proposals in advance of his budget address this week.

In this *Weekly Legislative Report*, we update you on a fast-tracked municipal election bill, newly introduced bills worth watching, legislatively mandated reports sure to get attention, and an emerging framework for massive education reform.

Our First Bill is on its Way to Become Law! Method of Election for Town Officers

In our report last week, we outlined an emerging issue causing some major confusion in the lead-up to Town Meeting Day related to the method of voting for town officers. We have more to report, and this time it's good news.

The House Committee on Government Operations may have set a land speed record for new legislation with its <u>bill H.78</u>, an act relating to the use of the Australian ballot system in local elections. The bill would allow the use of an Australian ballot for **any or all** elections of municipal officials – which is just the remedy we need for towns that vote for most officers by ballot but some (such as moderator) by voice vote.

VLCT first raised the issue in our scheduled <u>testimony before both Government</u>

Operations committees on Friday January 17, and the following Wednesday the

House committee voted out H.78, which is warned for second reading on the

House floor tomorrow. H.78 is also supported by the Secretary of State and

Vermont Municipal Clerks and Treasurers Association – so we forecast smooth sailing through the Senate and on to passage in time for Town Meeting Day. It could even be the first law of the session!

Banning Firearms in Municipal Buildings

Many Vermont cities and towns have long held concerns about firearms in municipal buildings, and VLCT has at times over the years advocated in favor of proposals to allow municipalities the authority to ban them. At the 2024 Annual Meeting, VLCT members voted unanimously to support a statewide ban, with the ability for communities to opt out.

Last year, the legislature passed Act 120 pertaining to various firearms regulations, which also directed the Secretary of State to report on options for prohibiting firearms in municipal and state government buildings. The Secretary of State consulted with VLCT and other stakeholders in producing their Firearm Ban report, which was submitted to the legislature last week.

The report reflects VLCT's position and states in part: "The League of Cities and Towns (VLCT) supports a default statewide ban on firearms on designated municipal buildings and properties **if there is the ability for individual towns to opt out of the statewide ban.** ... This demonstrates that this policy is the will of the majority of the municipalities in Vermont."

We will be watching for any bills to be introduced and will be vigilant in supporting the specific conditions to exempt municipal forests and to provide a process and appropriate timeline for municipalities to opt out.

Reporting on the Statewide Reappraisal Report

The effects of the COVID-19 pandemic on Vermont's real estate market triggered a landslide of new reappraisal orders across the state, which has caused complications for many communities and generated a lot of discussion within the State House over the last several years. Act 68 of 2023 made several initial changes to Vermont's reappraisal system and tasked the Director of Property Valuation and Review (PVR) with producing two reports, the second of which was published earlier this month.

This report demonstrates that Vermont's reappraisal system is an extreme outlier. Our parcel counts and population size are significantly smaller than assessment jurisdictions nationally, and the frequency of assessments is far off the industry standard.

The report's primary recommendation is consistent with the request made by VLCT and the <u>Vermont Assessors and Listers Association</u> last year, which is to convene a working group composed of municipal, state, and other appraisal industry stakeholders to develop specific legislative recommendations and an implementation plan, including to recommend the compositions of new

"assessment districts" with 10,000 or more parcels in each. Other recommendations include structuring reappraisal contracting, setting an end date for PVR to issue reappraisal orders under the current system (some municipalities are already contracting out to 2029), and changing the Grand List Assessment Date to January 1 from the current April 1.

The report charge and findings can be best summarized by the January 23, 2025 presentation to the House Ways and Means Committee by Rebecca Sameroff, Deputy Commissioner of the Vermont Department of Taxes, and Jill Remick, Director of the Property Valuation and Review Division of the Department of Taxes.

It's unclear if the legislature will be able to consider such significant changes amid critical education reform taking shape this session. Legislators are keenly aware of the intrinsic link between property valuation and the education property tax reforms we all desire, but which will come first? The chicken or the egg?

Education Funding Transformation Begins to Take Shape

Last week Governor Scott's team unveiled a bold proposal to transform

Vermont's education system. Vermont Education Secretary Zoie Saunders,

Education Deputy Secretary Jill Briggs Cambell, and Vermont Tax Commissioner

Craig Bolio introduced <u>"Stronger Schools, Stonger Students" proposal</u> to a joint legislative session. They provided context on the growing inequity challenges

across many Vermont schools, the uniquely Vermont school funding structure, and the urgency to act now and seize the opportunities before us.

Like most complicated policy proposals, the devil is in the details, and these details are up for debate.

The Administration's recommendations, if supported, would bring substantial changes to school governance and education property tax formulas. It would also be a giant leap away from local control.

The "Stronger Schools, Stronger Students" plan would turn Vermont's 119 existing school districts into five regional districts with between 11,000 and 34,000 students per district. The districts would be governed by regional boards, with local "advisory councils". There would be a single statewide property tax rate, state government would decide how much money each district receives, and communities would have the option to raise more money locally. The state would take over setting calendars, curricula, graduation requirements, and more – such as assessing schools for potential mergers.

Reactions from lawmakers have been relatively muted, perhaps because a plan this big has something for everyone to love and to hate. Unlike in the lead-up to Act 46, most legislators seem consigned to the need to consolidate resources at the district level and are indicating a readiness to jump in and figure it out – but time will tell if they can stomach the total elimination of local school boards in favor of regionalization at this scale. For their part, the Vermont NEA is calling the governor's plan "risky" and "big on rhetoric but short on the details".

More on Outdoor Siting of Cannabis

Act 166 of 2024 made various amendments to cannabis law, including to allow municipalities to designate "Cannabis Cultivation Districts" where outdoor cultivation is encouraged. However, cultivation outside these districts cannot be prohibited. It also created uniform setbacks for outdoor cultivation: 25 feet within a cultivation district; 50 feet in a municipality with zoning and if outside a district; and 10 feet in municipalities without zoning.

Act 166 also directed the Vermont Cannabis Control Board (CCB) to produce a report examining the regulation of outdoor cannabis cultivation and advertising within Vermont. VLCT was a named stakeholder, along with the Cannabis Equity Coalition, the Vermont Medical Society, and the Cannabis Retailers Association of Vermont.

While the report is responsive to the legislative intent, it generates more questions than answers. The report examines the effects of the new setbacks on existing cultivators and raises questions on who is responsible for measuring and enforcing them (municipalities or the CCB?). It is unclear whether the setbacks apply to only the plants (and to what part of the plant) or to all aspects of the cultivation operation (e.g., structures used for storage or processing).

Municipal land use regulations exist to protect everyone and fairly settle land use disputes when they occur. The lack of municipal authority to promote cannabis cultivation in suitable areas through zoning and bylaws is in tension with the desire for equity and opportunity within the industry and is complicated by

cannabis's muddled relationship with traditional agriculture development rights in the law.

It's clear that Vermont's cannabis cultivation laws need to be reconsidered now that the industry has matured. We will be watching for any legislation introduced as a result of the Outdoor Sitting of Cannabis report.

What We're Tracking

The deadline for new bills for introduction is now fast approaching. Use these links to find <u>all House bills</u> and <u>all Senate bills</u> released for introduction to date. Here are a few we are tracking with potential municipal effects.

H.72: An act relating to municipal ordinances governing nuisance properties containing salvage and scrap.

Introduced by House Environment Committee member Representative Satcowitz of Randolph, H.72 proposes to:

• Grant funds to municipalities for soil testing and cleanup on properties foreclosed upon.



 Authorize municipalities to impose new fines for failure to properly dispose of solid waste.

 Authorize municipalities to collect unpaid civil penalties or fines as a lien on property in the same manner and to the same extent as taxes assessed on the grand list.

 Allow for all procedures and remedies for the collection of taxes to apply to the collection of the penalties or fines.

<u>H.86</u>: A bill to establish a Chloride Contamination Reduction Program and to train commercial and municipal salt applicators.

This bill was just introduced by House Environment Committee Chair Sheldon and several members of the committee. It proposes to:

 Direct the Secretary of Natural Resources and Transportation to establish an education and training program for commercial and municipal salt applicators.

• Establish standards for when and how salt and salt alternatives are applied.

- Establish recordkeeping and certification requirements for salt application and applicators.
- Determine the annual amount of salt imported into the state and annual amount applied to roads in the state.
- Establish limited liability for "certified" commercial and municipal salt applicators.
- Requires the mapping of salt storage facilities by the Agency of Natural Resources (ANR) and the covering of storage facilities within 100 yards of surface waters by 2030.

S.24: A bill amending requirements related to permitting stormwater systems.

In our <u>2025 Legislative Preview</u> we outlined some of the major issues municipalities are having related to the 3 Acre Permit process. Senator Chittenden introduced S.24 in response to some of those concerns, and the bill has been referred to the Senate Natural Resources Committee. S.24 would:

• Extend the deadline for complying with the three-acre impervious surface rule general permit to October 1, 2028.

 Authorize municipalities to assess user fees on property owners if they assume legal responsibility for stormwater systems.

• Extend the existing clean water surcharge on property transfer tax to July 1, 2036.

• Establish a fund (administered by ANR) to provide grants to municipalities to assist in stormwater permitting of residential subdivisions.

What We're Reading

Legislative reports provide the factual and fiscal foundation for much of the State House debate around new legislative proposals. Here are a few we are interested in.

• Municipal Statutory Fee Report

• Vermont State Ethics Commission 2024 Annual Report

- Property Valuation and Review 2025 Annual Report (based on 2024 grand list data)
- Final Report of Statewide Reappraisal and Property Data
- Assessment of Statewide Firearm Ban for State and Municipal Buildings
- Outdoor Siting of Cannabis and Advertising

Stay Involved

A number of bills of high interest for VLCT and our members are slated for introduction and committee discussion. There will be many opportunities for you to help Josh and Samantha in VLCT's advocacy work. Remember to register and attend our bi-weekly Advocacy Chats, which are held via Zoom every other Monday at 1 PM starting on January 27.

- You can find (and share) this legislative report and future reports and alerts on <u>our main Advocacy webpage</u>.
- 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 and ssheehan@vlct.org.

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