

March 13, 2025

VLCT Advocates for Local Government in Washington



Rutland City Mayor Mike Doenges, VLCT's Josh Hanford, and Ted Brady were in D.C. this week for the National League of Cities City Congress. They heard from V.P. JD Vance Monday, and also visited with Vermont's Congressional Delegation. Read more about NLC's federal agenda and the asks VLCT made of our delegation.

MEMO

To: Members of Vermont's Congressional Delegation

From: Ted Brady, Executive Director, VLCT; Josh Hanford, Intergovernmental Relations Director, VLCT

Date: March 12, 2025

Re: Vermont League of Cities and Towns Federal Concerns

Thank you for your support of Vermont municipalities, especially your steadfast commitment to helping our cities, towns, and villages recover from recent flooding, directing new infrastructure funding to help build new green infrastructure, water and



wastewater infrastructure and transportation infrastructure. As you navigate the federal uncertainty, VLCT's 247 members, including every single city and town in Vermont, ask that you pay particular attention to the following issues this year:

Preserve Tax Exempt Municipal Bonds

Eliminating tax exempt municipal bonds has been floated as a possible "pay-for" related to extending tax breaks. Doing so would have a disastrous impact on the ability of cities, towns and villages to finance roads, libraries, public safety facilities and more. The University of Chicago estimates that Vermont units of government have accessed \$3.7 billion in tax exempt bonds since 2015. The tax exempt status of the bonds has saved Vermonters more than \$77 million in expenditures since 2015. Eliminating the bonds would result in less infrastructure projects being completed, an increase in state and local taxes, and a sting Vermont seniors who often hold municipal bonds as safe and stable investments.

Restore Funding for Federal Programs and Pay Executed Contracts and Grant Agreements

VLCT and the National League of Cities are increasingly hearing from cities and towns unable to access federal grant funding due to various Administration Executive Orders. The City of Winooski recently had an \$800,000 grant terminated that was to support their downtown project. VLCT had the \$1 million USDA Rural Development Cooperative Agreement for disaster resiliency work frozen after we hired two staff, preventing us from



submitting reimbursement requests and putting the program at risk.

Hold Municipalities Harmless for PFAS Liability

Vermonters may be on the hook for paying for the cleanup, remediation and damages caused by corporations that manufactured and distributed materials containing PFAS. Cities and towns shouldn't be forced to absorb these liabilities because they unknowingly used materials containing PFAS to provide government services. Protect Vermont taxpayers from this unfair offset by providing municipalities with liability protections.

Attachments

[Vermont Bonds Fact Sheet](#)

[NLC Federal Advocacy 2025 Action Agenda](#)

