April 13: Road Rule Debate Takes a Turn, New Laws for Municipal Official Minimum Wage and Road Salt Applicators

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This part of the legislative session generally feels like Groundhog Day as advocates and agency officials follow House bills through Senate committees and follow Senate bills through House committees, repeating old testimony and rehashing the same debates. However, that is not the situation with Senate bill S.325, which has received a lot of attention and new energy from outside the State House and newly introduced data and analysis regarding housing production in rural communities.

In this *Weekly Legislative Report*, we get you caught up on the evolving debate around Act 181 reform and discuss two bills with straightforward fixes for municipal government, one to do with road salt and one for minimum wage law.

We also invite you to join us in Montpelier on Thursday, April 23 for VLCT's **State House Municipal Advocacy Day**.

S.325 Debate Goes on, Lawmakers Weigh the True Costs of the Road Rule

Last week, VLCT advocacy testified in the House Environment Committee regarding S.325 and the need for Act 181 reform related to the location-based jurisdiction of Act 250.

In our testimony we provided new data analysis performed by the Vermont Center for Geographic Information (on 3/16/2026) showing that under the road rule and the current draft Tier 3 rule **the total new jurisdictional area for Act 250 review would be 60.20% of Vermont land area, or 3,545,151 acres total.**

This jurisdictional area would include parcels triggered by:

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- elevation over 2,500 feet,
- the road rule: 800 feet of new road or more than 2,000 feet of road and driveway, and
- the current draft Tier 3 rule,
- with parcels triggered by more than location-based jurisdiction de-duplicated.

Proposed development outside of these three jurisdictional areas would still be subject to the 10-5-5 rule: to avoid Act 250 review, it would need to be fewer than 10 units of housing and built more than five years or five miles apart by the same permittee. Moreover, Act 250 review would be required in municipalities without zoning or bylaw for developments of more than one acre and in towns with zoning and bylaw for developments of 10 acres or more. Act 181 did not repeal the old jurisdictional framework – so if the road rule or Tier 3 were to be repealed now, Act 250 review would be applied the same as it was before in 98% of the state, with full or partial exemptions in Tier 1 only.

Also last week, Miro Weinberger of Let's Build Homes testified and presented new analysis completed by their organization showing that between 2021 and 2025, most of all new housing construction permitted was outside of the temporary Act 250 exempted areas. The vast majority of new single-family homes were built outside of exempted areas while more than three-quarters of multi-family projects happened inside the exempted areas.

These new data sets demonstrate that:

- The current projections for 2.1% of land area for Tier 1 eligible area is insufficient to meet the state's housing targets.

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- The road rule and proposed Tier 3 area would disproportionately limit construction of single-family homes.

VLCT does not believe that under these regulatory conditions Vermont could reasonably meet our needs for rural infill housing of all housing types or could meet the state's housing target of 30,000 homes by 2030.

There was even more compelling testimony last week from Vermont citizens and farmers who spoke to the unintended consequences of applying Act 250 regulation on existing homes and homesteads. You can see testimony from Neil Ryan, a farmer from Corinth, and Todd Heyman, a farmer from Hartland.

On Thursday, 57 members of the non-partisan rural caucus signed a letter to House leadership and the Environment Committee calling for repeal of the road rule and Tier 3. The members said, "We recognize the goals that Act 181 is trying to advance, including conservation and housing. However, it is evident from what we heard that aspects of the current approach are not working for rural Vermont."

For close observers, the recent outcry from citizens and local leaders shouldn't come as a surprise. The regional mapping process to establish Tier 1 eligible areas was created by Act 181 in 2024 and began officially in December. While lawmakers have been in Montpelier, local planning commissions and selectboards across five counties have been mired in the back-and-forth process with the Land Use Review Board (LURB) to determine the real and final areas for potential Act 250 exemption – and the public has been following along. Given the increasing number of municipal bodies raising formal objections to the new land use framework, and the number of leading Democrats joining the non-partisan coalition for repeal of the road

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rule and Tier 3, S.325 could bring toxic debate to the House floor and presents a serious political question for House leadership.

The House Environment Committee has sporadic testimony on S.325 and related issues scheduled for the coming week, and it is unclear when the bill may be headed to the floor. Whether or not the committee acts to amend the bill to repeal either the road rule or Tier 3 is even less clear – but absent such action we would anticipate floor amendments.

VLCT began this session with a priority to delay implementing Tier 3 and the road rule while improving the Tier 1 mapping and adoption process – which S.325 does. That said, an increasing number of town legislative bodies have recently taken actions to oppose Act 181 and/or to call for full repeal of the road rule.

If you think we should seek more than just delay, please share your thoughts with us at advocacy@vlct.org. You can provide comment directly

- on S.325 and Act 181 implementation to members of the House Environment Committee,
- on the draft Tier 3 rule guidance to the LURB by emailing act250.rulemaking@vermont.gov, or
- on the draft road rule guidance to the LURB by emailing act250.comments@vermont.gov.

Minimum Wage Fix for Elected and Appointed Officials Moves Forward

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Just before crossover, the House General Committee picked up and advanced bill H.556. This bill would:

- clarify that elected or appointed municipal officials are not "employees" under the statute,
- change state law so that minimum wage requirements would not apply to stipends or compensation paid to elected or appointed municipal officials, and
- not apply to state overtime requirements.

Under current law, municipal officers are not exempted from minimum wage. This is a problem because the vast majority of elected and appointed municipal officials in Vermont are volunteers, and generally their compensation is established by the authority of voters at the annual meeting during the adoption of the budget. State law is also in conflict with federal law, which allows the exemption.

H.556 was picked up by the Senate and referred to the Committee on Economic Development, Housing, and General Affairs on March 20. Last Thursday, Josh Hanford testified before the committee in favor of the bill. We expect the bill to be added to a larger package of labor law fixes and to be passed this session.

Salt Bill : VLCT Supports Amendment to S.219 to Protect Municipal Liability

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Since the early days of last session, lawmakers on the environmental committees in both the House and Senate have worked toward passage of a bill that would create a new chloride reduction program at the Agency of Transportation.

While VLCT shares support for the intent of the bill, which is to reduce road salt application safely to protect public waterways and save money, we have been unable to support the related bills due to their inadequate liability protections for municipalities.

Last session, bill H.86 never made it to third reading due to partisan divides and skepticism over the costs of standing up the new program. The Senate Natural Resources Committee tried again this year, and before crossover advanced bill S.218.

S.218 would initially cost VTrans $700,000, and it creates an "affirmative defense" for salt applicators who complete the trainings – to protect against liabilities from slip and fall events or traffic accidents. However, VLCT assesses the liability protection provided in S.218 to be totally inadequate.

In order to be protected from lawsuits under S.218, a municipality would have to prove that:

- the municipal salt applicator completed the Vermont Local Roads curriculum in that calendar year;
- the claimed damages were caused solely by snow or ice;
- any failure or delay in removing or mitigating the hazard is the result of the municipal salt applicator's implementation of the best management

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practices learned under the Vermont Local Roads curriculum;

- the civil damages were not due to gross negligence or reckless disregard of the hazard; *and*
- the municipality kept a record describing its road, parking lot, and property maintenance practices, consistent with the requirements determined by the Secretary, including the type and rate of application of salt and salt alternatives used, the dates of treatment, and the weather conditions for each event requiring deicing. Under the law, such records shall be retained for three years.

House member Michael Boutin of Barre plans to introduce **a simple amendment** that would **increase protection for municipalities by capping cash liability** at $500,000 per person and $2,000,000 per incident. This reflects the caps that state government enjoys for all tort liabilities – but for municipalities would only apply to liabilities related to salt application. VLCT will be testifying in favor of the amendment on Tuesday morning in the House Judiciary Committee.

This amendment is really a no-brainer. For municipalities to reduce road salt application, local officials must be sure that doing so would not bankrupt the municipal general fund in the case of an accident and impending lawsuit. This simple change would improve the uptake of the chloride reduction program for Vermont municipalities who together maintain more than 4,000 miles of public roads – and would protect Vermont property taxpayers from undue risk.

Please contact your representatives and ask them to vote yes on the Boutin amendment to S.218, an act relating to reducing chloride contamination of state waters.

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State House Municipal Advocacy Day April 23

Join VLCT for our **State House Municipal Advocacy Day on Thursday, April 23**. This is your opportunity to meet directly with your state representatives or senators, attend a joint committee hearing on municipal transportation topics, and help Vermont's communities inform critical policy decisions before the legislature this session.

This is a come-and-go opportunity: whether you participate in breakfast, networking, meetings, or hearings, your engagement strengthens VLCT's collective voice and amplifies the priorities of Vermont's towns and cities.
Register Now!

Tentative* Agenda for State House Municipal Advocacy Day April 23, 2026

8 AM to 9:30 AM in the State House Cafeteria: Network with legislators, enjoy a light breakfast (coffee, tea, pastries), and mingle with your peers.

10 AM to 11:30 AM: Attend a joint hearing of the House and Senate Transportation committees. Local officials interested in testifying on transportation related issues, opportunities, and challenges will please register and let us know your interest in testifying. Email jhanford@vlct.org and ssheehan@vlct.org.

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11:30 AM to 12 Noon in the Cedar Creek Room: Press Conference. Join – or at least stand with – your local government peers in advocating publicly for more transportation funding and town highway aid.

1 PM to 2 PM in VLCT's Vermont Room: Debrief, discuss policy in action, and join the **in-person Advocacy Chat**.

**Final agenda details will be confirmed the week of the event.*

What We're Reading

Here are some recently released legislative reports and news stories related to top issues for local government.

- TIF Annual Report for Fiscal Year 2025(opens in a new tab), Vermont Economic Progress Council
- Enosburgh Selectboard Pushes Against Act 181 in Letter of Concern (opens in a new tab), St. Albans Messenger
- Unpaid Taxes Are Stressing Local Budgets in Pockets of Vermont(opens in a new tab), Seven Days
- Property Tax Relief Legislation in Montpelier Could Drive Taxes Up in Many Districts(opens in a new tab), Vermont Public

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- Once Billed as the Future of Town Meeting, the 'Brattleboro Experiment' is Ending(opens in a new tab), VTDigger

- Reducing Road Salt Could Improve Water Quality and Reduce Rust. But What About Slip-and-Falls?(opens in a new tab), VTDigger

- Vermont's Housing Framework "Cannot Reasonably Meet Our Needs," Municipal League Tells Legislature(opens in a new tab), Compass Vermont

Get Involved

With work in the State House continuing apace, the **most important key to our success is your input and participation** in VLCT's advocacy work. Don't forget to register to attend our Advocacy Chats to learn what mid-session progress has been made on the issues that matter most to local government. Also, hear what your municipal colleagues from around the state have to say about the hot topics and share your concerns for the legislature. You can register to attend our next bi-monthly chat here, or join us in person in Montpelier on April 23.

- You can find (and share) this legislative report as well as previous and future reports and alerts on our main Advocacy webpage.
- Before you visit the State House, check VLCT's Effective Testimony Guide for Municipal Officials for best practices and answers to frequently

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asked questions.

- 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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