

October 8, 2025

# Vermont's Ethics Law: Overview and New VLCT Conflict of Interest

## Decision Tree

Garrett Baxter, Senior Staff Attorney, VLCT Municipal Assistance Center



# STATEWIDE MUNICIPAL CODE OF ETHICS – INTRO.

No. 171  
2024

Page 1 of 54

No. 171. An act relating to the State Ethics Commission and the State Code of Ethics.

(H.875)

It is hereby enacted by the General Assembly of the State of Vermont:





# STATEWIDE MUNICIPAL CODE OF ETHICS INTRO.



- Creates a uniform code of municipal ethics, including required recusal procedures and prohibited activities, that municipal officers must follow.
- “Conflict of interest” means a direct or indirect interest of a municipal officer or such an interest, known to the officer, of a member of the officer’s immediate family or household, or of a business associate, in the outcome of a particular matter pending before the officer or the officer’s public body, or that is in conflict with the proper discharge of the officer’s duties.
- “Conflict of interest” does not include any interest that is not greater than that of other individuals generally affected by the outcome of a matter.



# STATE MUNICIPAL CODE OF ETHICS INTRO.

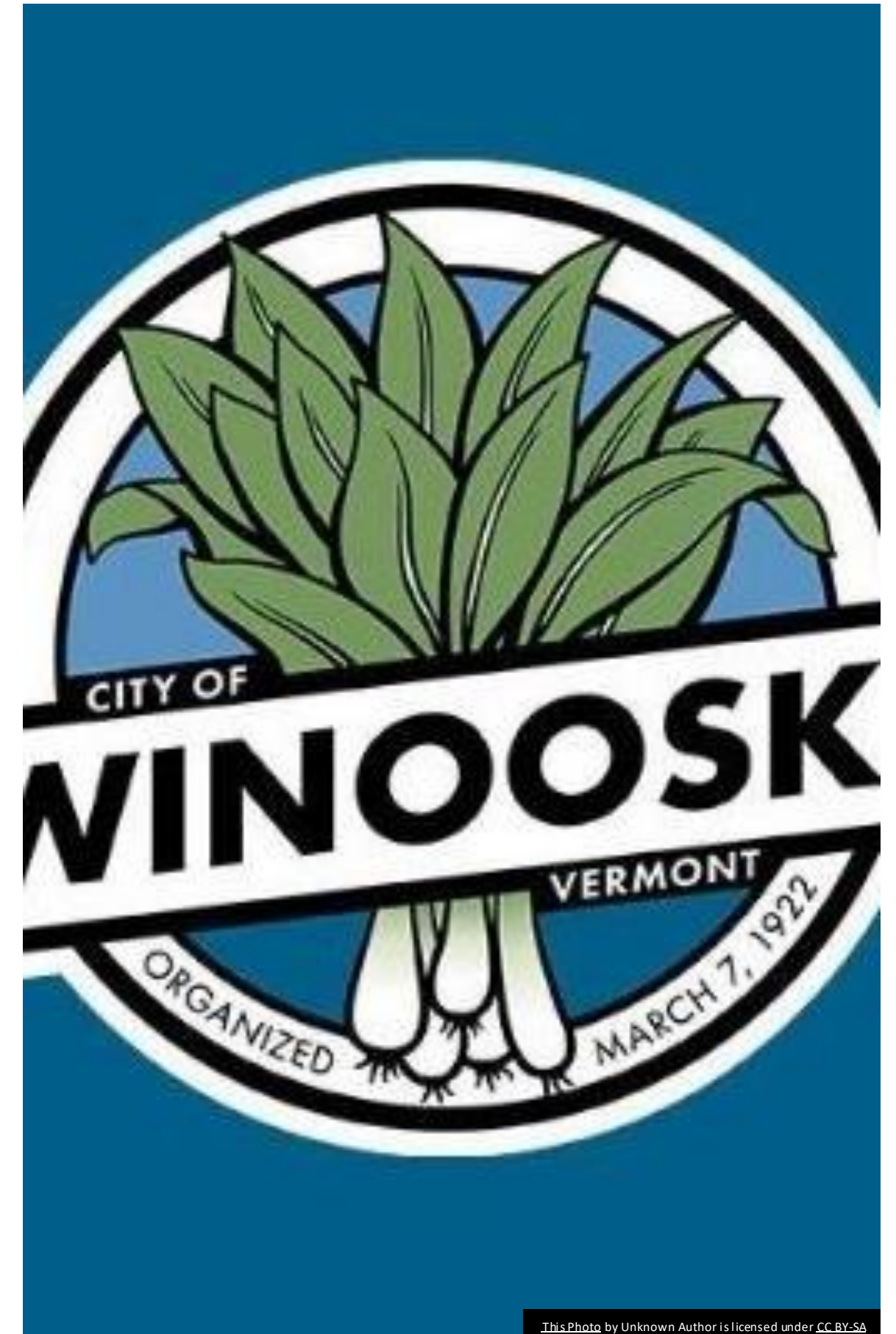
- “Municipality” means any town, village, or city.



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# STATEWIDE MUNICIPAL CODE OF ETHICS

## INTRO.

■ Applies to all “municipal officers” which includes:

■ All municipal legislative bodies

■ All municipal quasi-judicial bodies and

■ Any individual who holds any of the following positions:

Advisory budget committee member	First constable	Village or town trustee
Auditor	Lister or assessor	Trustee of Public Funds
Building inspector	Mayor	Water commissioner
Cemetery commissioner	Moderator	
Chief administrative officer	Planning commission member	
Clerk	Road commissioner	
Collector of delinquent taxes	Town or city manager	
Department heads	Treasurer	

# STATEWIDE MUNICIPAL CODE OF ETHICS

## INTRO.



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- Prohibited conduct:
  - Avoid conflicts of interest (both actual and apparent)
  - Directing unethical behavior
  - Preferential treatment
  - Misuse of position
  - Misuse of information
  - Misuse of government resources
  - Gifts
  - Unauthorized commitments
  - Benefit from contracts

# STATEWIDE MUNICIPAL CODE OF ETHICS INTRO.

## [Title 24, Chapter 60, Sections 1991-1999](#)

- Requires municipalities to:
  - post the Municipal Code of Ethics on municipal websites;
  - post and display notices of protected employee whistleblower protection in a prominent and accessible location in the workplace;
  - designate someone to serve as an ethics liaison to the State Ethics Commission and someone to receive complaints alleging violations of the Municipal Code of Ethics;



# STATEWIDE MUNICIPAL CODE OF ETHICS INTRO.

## [Title 24, Chapter 60, Sections 1991-1999](#)

- Requires municipalities to:
  - take training:
    - Managers, Mayors, CFO's
    - Legislative bodies (i.e. city councils, selectboards, etc.)
    - Quasi-judicial members (BCA, DRB, etc.);
  - record and retain complaints received and their disposition, provide the State Ethics Commission with summaries, and create and maintain a record of those who have taken ethics training;
  - create processes for investigation and enforcement of alleged violations by ordinance, personnel policy, or rule.





## **§ 1999. Municipal charters; supplemental ethics policies [Effective January 1, 2025]**

(a) To the extent any provisions of this chapter conflict with the provisions of any municipal charter listed in Title 24 Appendix, the provisions of this chapter shall prevail.

(b) A municipality may adopt additional ordinances, rules, and personnel policies regarding ethics, provided that these are not in conflict with the provisions of this chapter. (Added 2023, No. 171 (Adj. Sess.), § 22, eff. January 1, 2025.)

STATEWIDE MUNICIPAL CODE OF ETHICS  
INTRO.

TOWN FAIR 2025

## STATEWIDE MUNICIPAL CODE OF ETHICS INTRO.

VERMONT MUNICIPAL  
ETHICS TRAINING

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Montpelier, VT 05633-7800  
ethics@commission.vermont.gov  
802-828-7187  
ethics@commission.vermont.gov



If you're having trouble viewing the training video, please view the video [here](#).



# STATEWIDE MUNICIPAL CODE OF ETHICS

## INTRO.

### **i Announcement: Suspension of Municipal Services**

With regret, due to lack of staffing, the State Ethics Commission can no longer provide advisory and complaint services to municipalities. The Commission has been operating with one part-time administrative assistant and one part-time executive director for three and a half years. During that time, our workload has tripled with no corresponding increase in resources. For this reason, continuing to provide the same level of service has become an impossibility. If and when this changes, the Commission will resume the provision of municipal services.

Any ongoing requests for municipal services will be honored, and we will continue to provide online training support. However, we will not be able to respond to new requests related to municipal ethics complaints or advice.

Thank you for understanding.

### **Municipal Advisory Opinions**

[Municipal Advisory Opinion No. 1-2025](#) - *Topics: Municipal Ethics, Contracts*

# STATEWIDE MUNICIPAL CODE OF ETHICS INTRO.

[INSERT NAME OF MUNICIPALITY]  
CODE OF ETHICS INVESTIGATION AND ENFORCEMENT ORDINANCE

SECTION 1. AUTHORITY.

This ordinance is adopted by the [inset name of legislative body] ("Legislative Body") of [inset name of municipality] ("Municipality") under authority of 24 V.S.A. § 1997.

SECTION 2. PURPOSE.

The purpose of this ordinance is to enact procedures for the investigation of complaints that allege a municipal officer has violated Vermont's Municipal Code of Ethics and the enforcement in instances of substantiated complaints, including methods of enforcement and available remedies.

SECTION 3. DEFINITIONS.

- A. "Designated Complaint Recipient" means the municipal officer or body designated to receive complaints alleging violations of the Municipal Code of Ethics.
- B. "Municipal Code of Ethics" means the municipal ethics framework in Vermont established by Act 171 (H.875) of 2024.
- C. "Municipal Ethics Complaint" means a complaint against a "Municipal Officer" or "Officer" alleging a violation of the Municipal Code of Ethics.

[INSERT NAME OF MUNICIPALITY]  
MUNICIPAL ETHICS COMPLAINT FORM

[Insert name of municipality]  
[Insert date]  
**ATTN: Designated Complaint Recipient**

State law (24 V.S.A. § 1997) requires municipalities to enact procedures to 1) investigate complaints that allege a municipal officer has violated the Municipal Code of Ethics, and 2) to enforce against substantiated complaints, including developing methods of enforcement and available remedies.

**Your Contact Information**  
*Type or print clearly*

**Your name (complaints can be anonymous):**

**Address:**

**Municipality:**

**State:**                      **Zip:**                      **E-mail:**



**WHISTLEBLOWER PROTECTIONS**  
*[Effective January 1, 2025]*

- Protected activity.**  
An agency, department, appointing authority, official, or employee of a municipality is prohibited against engaging in retaliatory action against a protected employee because the protected employee refuses to comply with an illegal order or engages in any of the following:
- providing to a designated complaint recipient a good faith report or good faith testimony that alleges an entity of a municipality, employee or official of a municipality, or a person providing services to a municipality under contract has engaged in a violation of law or in waste, fraud, abuse of authority, or a threat to the health of employees, the public, or persons under the care of a municipality; or
  - assisting or participating in a proceeding to enforce the provisions of Title 24, Section 1998 (VT's Municipal Whistleblower Protection Law).

No agency, department, appointing authority, official, or employee of a municipality can attempt to restrict or interfere with, in any manner, a protected employee's ability to engage in any of the protected activity described above.

No agency, department, appointing authority, or manager of a municipality can require any protected employee to discuss or disclose the employee's testimony, or intended testimony, prior to the employee's appearance to testify before the General Assembly if the employee is not testifying on behalf of an entity of the municipality.



achieve improved competency in the subject matter rather than rely on fixed hours of training as a measure of completed training.

(d) Training provided by the Commission.

(1) The State Ethics Commission shall develop and make available to municipalities ethics training required of municipal officers by subsections (a) and (b) of this section.

(2) The Commission shall develop and make available to municipalities trainings regarding how to investigate and resolve complaints that allege violations of the Municipal Code of Ethics.

## STATEWIDE MUNICIPAL CODE OF ETHICS – INTRO.

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- C. "Municipal Ethics Complaint" means a complaint against a "Municipal Officer" or "Officer" alleging a violation of the Municipal Code of Ethics.
- D. "Municipal Officer" or "Officer" means:
  - 1. any member of a legislative body of a municipality;
  - 2. any member of a quasi-judicial body of a municipality; or
  - 3. any individual who holds the position of, or exercises the function of, any of the following positions in or on behalf of any municipality:
    - a. advisory budget committee member;
    - b. auditor;
    - c. building inspector;
    - d. cemetery commissioner;
    - e. chief administrative officer;

# STATEWIDE MUNICIPAL CODE OF ETHICS – INTRO.





## Conflict of Interest Decision Tree

JULY 23, 2025

NEW VLCT CONFLICT  
OF INTEREST  
RESOURCES

## Do I have a Conflict of Interest?



Is your municipality  
a town, city, or  
village?

And



Are you a municipal  
officer as defined by  
the law?



No

Yes, to  
both

No

Doesn't Apply

Do you have a direct or  
indirect interest in the  
outcome of a particular  
matter pending before you  
or your public body, or that  
is in conflict with the  
proper discharge of your  
duties?

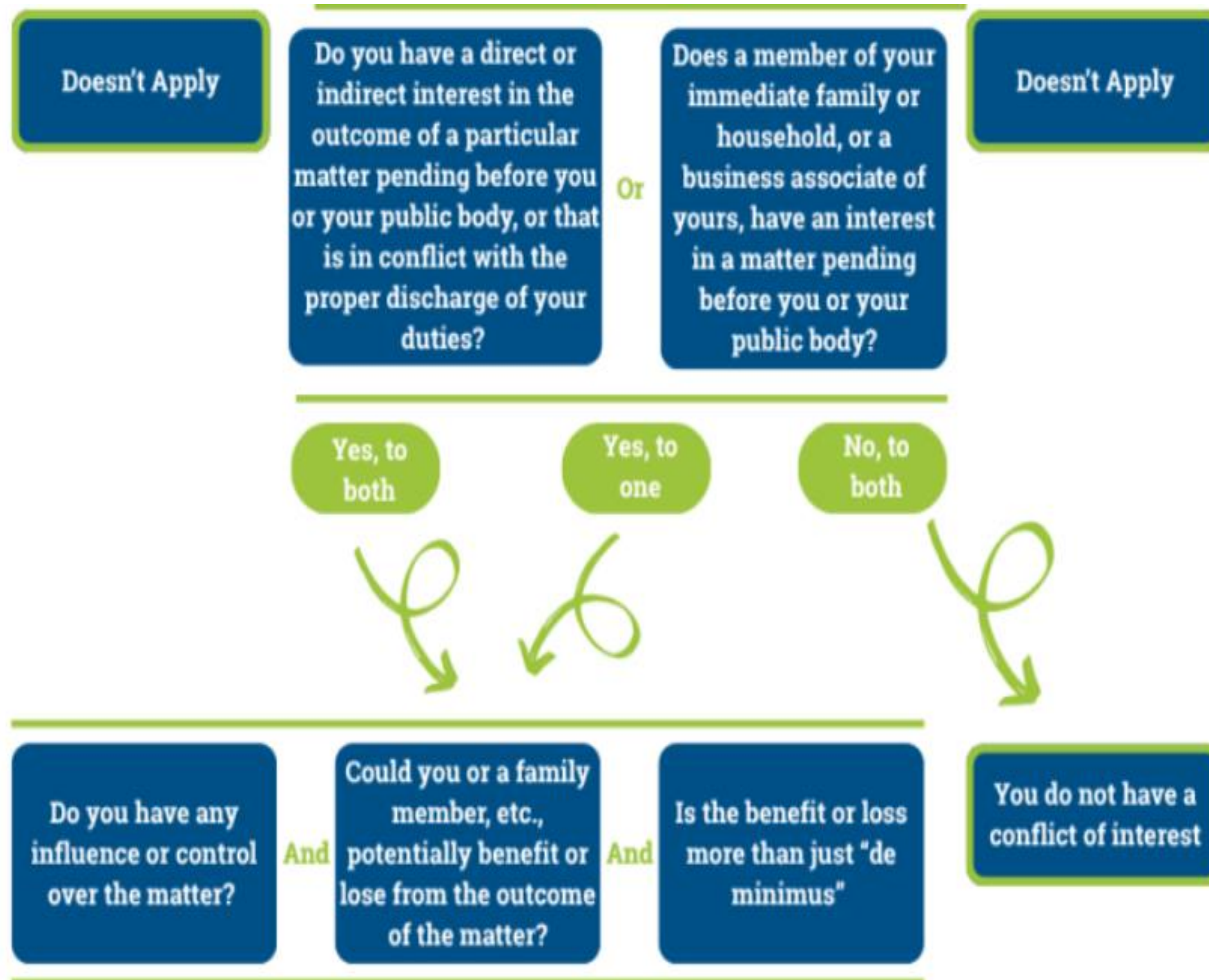
Or

Does a member of your  
immediate family or  
household, or a  
business associate of  
yours, have an interest  
in a matter pending  
before you or your  
public body?

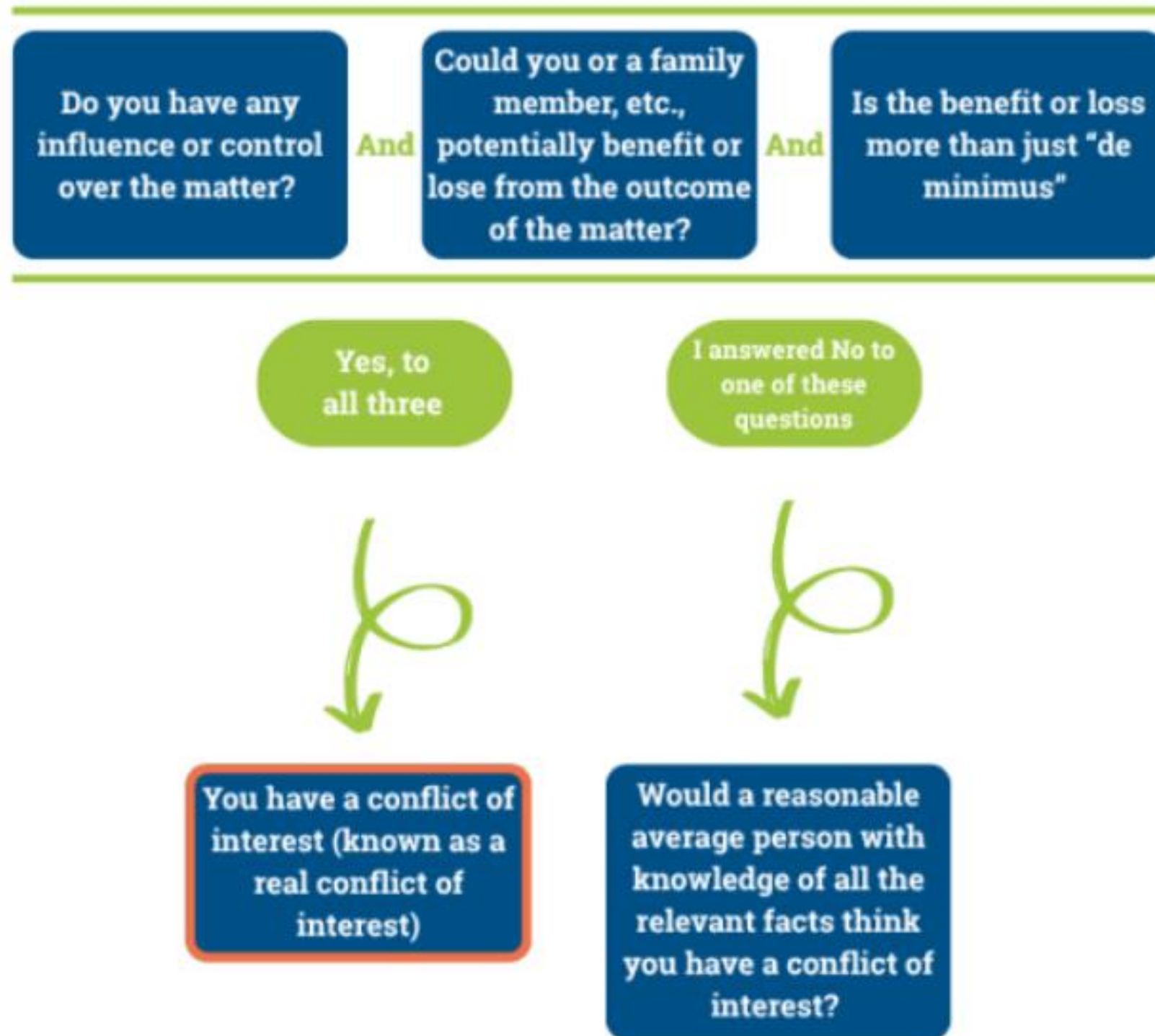
Doesn't Apply

## CONFLICT OF INTEREST DECISION TREE





## CONFLICT OF INTEREST DECISION TREE



## CONFLICT OF INTEREST DECISION TREE

**You have a conflict of interest (known as a real conflict of interest)**

**Would a reasonable average person with knowledge of all the relevant facts think you have a conflict of interest?**

**Yes**

**No**

**You may appear to have a conflict of interest (known as an apparent conflict of interest)**

**You do not have a conflict of interest**

## CONFLICT OF INTEREST DECISION TREE





## Handling a Conflict of Interest

JULY 23, 2025

**HANDLING A CONFLICT  
OF INTEREST**



## Instructions for Handling a Conflict of Interest (COI)

I discovered my COI (real or apparent) during a meeting, with no prior knowledge

No

Yes



Does good cause exist for you to continue in this matter for the duration of the meeting?

## HANDLING A CONFLICT OF INTEREST



**Good cause means that the:**

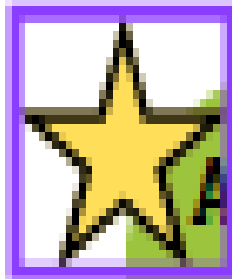
- **The conflict is amorphous, intangible, or otherwise speculative;**
- **the officer cannot legally or practically delegate the matter; or**
- **action to be taken by the officer is purely ministerial and does not involve substantive decision-making**

## **HANDLING A CONFLICT OF INTEREST**





## HANDLING A CONFLICT OF INTEREST



A nonrecusal statement must:

- Describe the matter requiring action.
- Describe the nature of the conflict (whether real or apparent).
- Explain why there is "good cause" for you to continue to act fairly, objectively, and in the public interest in the matter, despite the conflict.
- Be written clearly and in sufficient detail so the public can understand; AND
- Be signed by you

## HANDLING A CONFLICT OF INTEREST

Does the matter involve a contract that would benefit you, your immediate family, or a business associated with you or your immediate family? Do your duties include the execution of the contract?

Or

Does the law grant authority to another official or public body to preclude you from continuing to act in this matter?

Yes, to both

Yes, to one

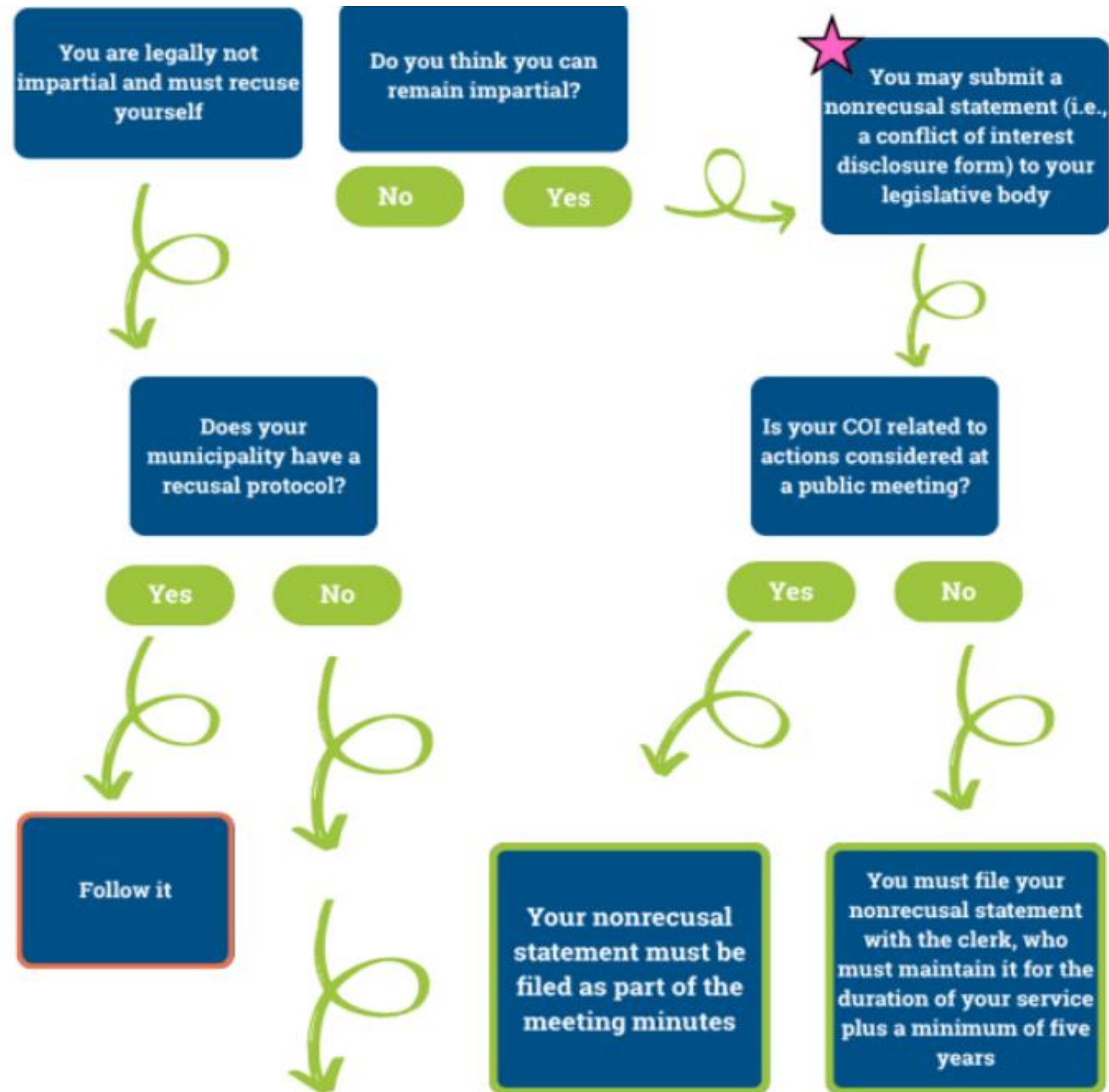
No, to both

You are legally not impartial and must recuse yourself

Do you think you can remain impartial?

## HANDLING A CONFLICT OF INTEREST





## HANDLING A CONFLICT OF INTEREST

1

If you are an **EMPLOYEE**,  
Disclose the conflict to your  
supervisor and follow their  
instructions

2

If you are an **ELECTED MUNICIPAL  
OFFICIAL WHO IS NOT A MEMBER OF A  
PUBLIC BODY** (board, commission, etc.),  
Inform the chair of your legislative body  
(city council, selectboard, board of  
trustees, etc.) and assign your assistant,  
if you have one, to act in your place

3

If you are **on a PUBLIC BODY** (board,  
co, mission, etc.), disclose the  
conflict during the open portion of  
the public meeting/hearing, and  
publicly explain the reason for your  
recusal and record it in the  
meeting/hearing minutes. You must  
make a public statement explaining  
your recusal

## HANDLING A CONFLICT OF INTEREST







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- Describe the matter requiring action.
- Describe the nature of the conflict (whether real or apparent).
- Explain why there is "good cause" for you to continue to act fairly, objectively, and in the public interest in the matter, despite the conflict.
- Be written clearly and in sufficient detail so the public can understand; AND
- Be signed by you

## HANDLING A CONFLICT OF INTEREST

# VLCT'S CONFLICT OF INTEREST DECISION TREE

ADVOCACY ASSISTANCE INSURANCE TRAINING RESOURCES QUICK TOOLS



Home / Resources / Topics (all)

## Ethics and Conflicts of Interest



### 2024 Ethics and Conflicts of Interest Changes: The Statewide Municipal Code of Ethics - Act 171

Act 171 became law on June 10, 2024 and drastically changes the ethical regulatory landscape for municipalities. It removes municipal authority to enact conflict of interest prohibitions tailored to address the specific needs, concerns, size, and values of their municipalities and replaces that authority with a new, top-down, one size fits all, statewide Municipal Code of Ethics.

<https://www.vlct.org/topics-all/ethics-and-conflicts-interest>

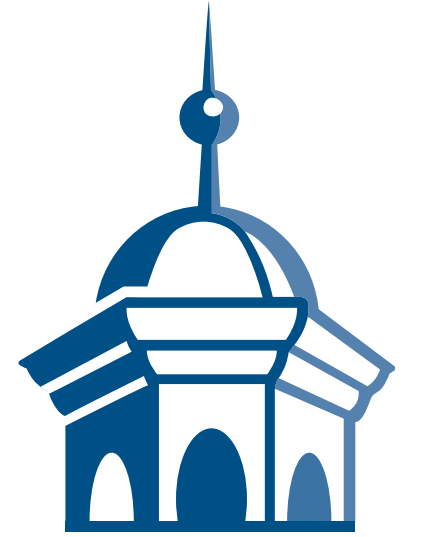


## VLCT MAC MEMBER INQUIRY SERVICE:

- “SUBMIT A LEGAL INQUIRY” OR “ASK A QUESTION” TABS ON WEBSITE
- [MAP PORTAL](#)
- [SEND US A MESSAGE](#)
- [askmac@vlct.org](mailto:askmac@vlct.org)
- 1-800-649-7915



# THANK YOU!



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Vermont League of Cities and Towns