

As of 1PM on 5/10/24: Bills to Watch in the Biennium's Final Days

May 10, 2024



H.875 – Municipal Ethics: Despite an hours-long debate Thursday, the Senate passed [its version](#) of the ethics bill which appears headed back to the House for consideration in the final hours. While the Senate made changes to the bill, including limiting the training requirement to members of legislative and quasi-judicial bodies and narrowing the whistleblower protections to mirror those for state employees, the changes were not enough to gain VLCT's support. VLCT testified that we could have supported the bill if the Senate had removed the unfunded training, reporting, and investigation mandates in the bill. The Senate also removed VLCT's role in nominating a municipal official to the Ethics Commission. The House may concur with the Senate's changes.

H.629 – Tax Sales: The "tax sale bill" is headed to Governor Scott's desk for signature this week. Check out [VLCT's updates on the bill](#) here to understand the impact it is likely to have on our delinquent tax collectors and municipal operations.

S.213 – Flood Safety: The Senate concurred with the [House amendments](#) to [S.213](#) or the Flood Safety Act. S.213 and will now be referred to the Governor who has indicated he is likely to veto it due to increased costs and staff at ANR. S.213 was one of many flood related bills first referenced in our [January 11 Advocacy Update](#). The bill charges ANR with mapping and regulating new development in River Corridor areas starting in 2026. The bill also tasks ANR with establishing flood hazard area standards that meet the National Flood Insurance Program that municipalities can adopt. The bill also updates wetland standards and dam safety procedures.

H.687 – Act 250 & Municipal Zoning Preemption: The House and Senate are playing pickleball in the final days, sending the bill back and forth with substantive amendments that the Administration and advocates are watching closely. But it appears the bill is likely headed for approval before adjournment. VLCT largely supports the delicate balance that has been reached, giving many of our commercial centers a path to Act 250 exemption, creating an Act 250 exemption for housing in smaller but densely settled areas, and setting a rulemaking process in place that will map critical resource areas – or environmentally sensitive areas – that need more protection to discourage development. VLCT worked with the Rural Caucus, the Vermont Association of Planning and Development Agencies, and the Vermont Natural Resources Council to ensure that the rulemaking process establishing “Tier 3” critical resource areas considers the impact on rural communities that may host a disproportionate amount of critical resource areas. Some of VLCT’s early concerns about municipal zoning pre-emptions remain in the bill, specifically requiring towns to permit quadplex housing anywhere single-family housing is allowed in water and sewer districts, which when combined with last year’s new fifth of an acre zoning requirement may equate to a de facto 20 unit per acre new zoning standard. The bill also doubles down on parking pre-emptions in Act 47 from last year and preempts municipalities from having meaningful input on hotel and motel conversions to permanent housing. The Senate and the House are still debating whether they will set new time limits for municipal development review boards to review and rule on applications. The bill will clearly include elements that VLCT supports and opposes, so stay tuned.

H.546 – Local Option Tax and Utility Valuation: This year’s miscellaneous tax bill pitted a House study on the creation of a municipal revenue sharing program against the Senate’s

proposal to green light a long-held VLCT priority – authorizing municipalities to adopt a local option tax through a vote at an annual or special town meeting. During a conference committee meeting Friday, the two bodies agreed to authorize municipalities to adopt local option taxes by vote – with no further action of the Legislature. The agreement includes a relief valve that allows the Tax Commissioner to reject or delay implementation of any more than five new municipal local option taxes in a calendar year. This provision is designed to ensure that the Tax Department can onboard municipalities successfully. Only 32 of the 92 communities currently authorized to do so have implemented local option taxes, suggesting this relief valve should not be a significant barrier. If it is, VLCT will advocate on members' behalf. A special thank you to Sens. Cummings, MacDonald, and Chittenden and Reps. Kornheiser, Demrow, and Andrews for supporting the League's position. The bill now goes to the full House and Senate, where it is expected to pass.

The bill also includes a provision requiring municipalities to use property valuations provided by the Department of Taxes for electric transmission and distribution facilities.

S.220 – Library Modernization: [S.220](#), an act related to Vermont Public Libraries, passed the house with amendments including language suggested by VLCT and the Town of Colchester. The bill still needs the Senate to concur with the House changes and be noticed on the Senate calendar to make it to the finish line before adjournment. For background, see [VLCT Advocacy Update from April 11](#).

S.55 – Open Meeting Law Changes: With the authority of municipalities to meet fully remotely sunsetting on July 1, 2024, S.55 must pass to prevent all public bodies from reverting to pre-COVID Open Meeting Law rules. The House made changes to the bill that some members of the Senate appear concerned about, putting the fate of the bill in question – at least temporarily. However, the bill is likely to make it across the finish line in some form. Read [last week's update on the bill](#) to learn more about the specifics, and how some municipal bodies will be able to keep meeting fully remotely thanks to VLCT's advocacy.

H.883 – The Big Bill or FY25 Budget: Usually the last to pass of each session, this has reached a compromise between the House, Senate, and Governor. Conference Committee negotiations, including the Governor's request to use \$25million from contingency surplus to reduce education property taxes increases, has produced an \$8.6 billion budget that appears

to have won approval of all parties. More details to come in our Legislative session wrap-up, as the 222-page bill has many winners and losers.

H.657 – Communication Taxes and Fees: H.657 is an act modernizing Vermont's communications taxes and fees. For background review [Advocacy Update from April 11](#). Both chambers passed [amended H.657](#), which commissions a study of, instead of implementing changes to, the way communication property is taxed at the municipal level. While we support studying before making changes to any municipal taxing process, we do not support using \$150,000 in PILOT Special Funds to pay for the study. The Governor is likely to sign H.657.

H.868 – FY25 Transportation Bill: The latest changes to [H.868, the FY25 Transportation Bill](#) (starting on page 4489), passed both chambers and is expected to be signed by the Governor. As [reported throughout the session](#), the Town Highway Aid Program received budget increases in the Governor's recommended FY25 budget and the House was successful in adding an additional \$1.5 million for a total Town Highway Aid Program of \$102 million (a record high).

H.534 – Retail Theft: H.534, a bill designed to increase the penalties for repeated retail theft, has hit a snag with the House refusing to concur with the Senate's proposed amendments. The chambers proposed different penalties for repeated theft within specific time periods. A Committee of Conference was requested to work out the differences, and it's unclear if they will complete their work before adjournment. VLCT supports H.534 as it aligns with our 2024 Public Safety Legislative Priorities and hopes the differences can be worked out in time for adjournment.

H.563 – Car Theft: H.563, a bill that would criminalize unlawful trespass, theft or unauthorized operation of a motor vehicle, has hit a snag with the House refusing to concur with the Senate-proposed amendments. This bill is intended to address the (somewhat unbelievable) fact that Vermont does not have a law preventing stealing a motor vehicle from a public place. VLCT supports H.563 as it aligns with our 2024 Public Safety Legislative Priorities and hopes the differences can be worked out in time for adjournment.

S.195 & S.196 – Repeat Offenders Reform: Both S.195, a bill related to how a defendant's

criminal record is considered in imposing Conditions of Relief, and S.196, a bill related to the types of evidence permitted for a person charged with a felony, have passed both chambers and head to the Governor's desk for signature. VLCT has been in support of these bills since introduction, as they align with our 2024 Public Safety Legislative Priorities and address [widespread concerns over public safety in Vermont](#).

H. 612 – Municipal Input on Cannabis Growing Operations: The House sent the Senate a bill that would have allowed municipalities to establish setbacks for existing and new cannabis growers. The Senate removed those authorities, replacing it with a one-year provision that requires a 50-foot set back for new cannabis growers for one year, starting July 1, 2024. The bill also rolls back a presumption that cannabis operations enjoyed similar to other agricultural operations – a presumption that they were not nuisances.

Check out the Senate [amendment](#) (starting on page 4532). The Cannabis Control Board, with consultation of VLCT and other stakeholders, will make recommendations to the legislature by December 15, 2024, on municipal regulations of outdoor cannabis cultivation.

H.887 Property Tax Yield Bill: The Senate amended and passed [H.887](#), the Yield Bill, which sets the homestead property tax yields, non-homestead rates, and other policy changes to education finance and taxation. Having four months in development in the House and only four days for adjustment in the Senate Finance Committee, last-minute floor debate produced a bill which creates three new studies or commissions – the Commission on the Future of Education, the Education Fund Advisory Committee, and the Education Finance Study Committee – which must deliver findings & legislative recommendations by 12/15/24. The bill

- raises \$26 million in taxes from a new cloud tax and a new statewide 3% Short-Term Rental Surcharge and
- uses \$25 million in one-time surplus revenue to reduce the average education property tax increase to an average of 12.5% for both homestead and non-homestead property.

The House Ways and Means Committee voted 8 to 4 not to concur with Senate changes reducing property taxes described above on Friday morning (5/10/24). The Committee rejected most of the changes made in the Senate and as a result raised the average property tax increase back to 14.1%. It's unclear what the Senate will do at this time. The House

committee's vote makes even more certain a veto by the Governor, who says he cannot accept a bill with a double-digit property tax increase and without cost containment measures.

S.159 – County and Regional Government Study: [S.159](#) creates a legislative study committee to look into how to [address local government capacity challenges; enhance and optimize public safety, regional collaboration and planning; allocate public resources efficiently, equitably, and transparently; and provide effective regional public services for individuals and municipalities](#). VLCT supports this study as it aligns with our 2024 Legislative Priorities regarding municipal capacity and VLCT has been included on the technical assistance advisory group to assist legislators appointed to the committee. S.159 has passed both chambers, and the Governor is expected to sign the bill.

H.622 – EMS Equity Bill: [H.622](#) provides supports for a more comprehensive and effective emergency medical services system. The bill strives to provide better access to grants and reimbursement for medical services to providers that offer basic emergency medical services training at low or no cost to participants and supports geographic equity among the emergency medical services districts. The bill also increases funding to the Vermont Fire Service Training Council and EMS Advisory Committee. The Senate Appropriations Committee must find the bill favorable, and the full Senate must act before adjournment.

The dance is not yet over, but the lights are coming on! VLCT will provide more information and a session wrap-up in the weeks to come.

Thanks for all your efforts throughout the session!