January 15, 2021

Issue No. 3

WEEKLY LEGISLATIVE REPORT

VERMONT LEAGUE OF CITIES & TOWNS

Contents

Town Meeting 2021 1

Committees Dive in to Work 2

Federal Funds for COVID Relief, Economic Recovery 4

Transportation 101 5

Governor Issues First Executive Orders of 2021 7

Declaration of Inclusion 8

Elsewhere in the State House 8

Karen Horn
Public Policy & Advocacy Director

Gwynn Zakov
Municipal Policy Advocate

David Gunn
Editor

VLCT ADVOCACY
advocacy@vlct.org

LEGISLATORS
legislature.vermont.gov

SERGEANT-AT-ARMS
802-828-2228

Town Meeting 2021

As they had promised, the legislature this week passed H.48, the highly anticipated bill that enables municipalities to adjust how and when to conduct this year's annual meetings. The bill addresses *all* of Vermont's municipal entities – not just cities, towns, and villages, but school districts, incorporated schools, fire districts, incorporated villages and other governmental incorporated units such as solid waste districts. Last year's Act 162 enabled local legislative bodies to vote to temporarily move to an Australian ballot system of voting for the 2021 annual meeting in towns that vote from the floor. It also waived the requirements for voter signature collection for candidates in local elections. H.48 goes further and addresses other lingering issues, including:

- **Changing the date of annual meeting.** The bill would permit municipalities to move their 2021 annual meeting to a later (and potentially safer) date. It will be up to the municipality to determine the later date.

- **Voting by mail.** The bill would permit local legislative bodies to require municipal clerks to mail 2021 annual meeting early voter absentee Australian ballots to all active registered municipal voters to encourage absentee voting, and thereby reduce possible exposure to COVID-19.

- **Brattleboro.** The bill would authorize the Town of Brattleboro to hold its annual representative town meeting by electronic means. Brattleboro is the only town in the state with a representative town meeting.

- **Northeast Kingdom Waste Management District**. Its board of supervisors may vote to adopt the district's budget for the ensuing fiscal year.

- **Extending municipal officer term.** Municipal officers would serve until the annual meeting and successors are chosen Ii a local legislative body chooses to move the date of the 2021 annual meeting.

- **Secretary of State's supplemental authority.** H.48 would authorize the secretary of state to order or permit supplemental election procedures related to the provisions within the bill. Under current law, the secretary of state has no authority over local elections, however directives and assistance from his office proved invaluable to municipalities in 2020 during the early days of the pandemic.

.

This authority is only meant to be supplemental and to help municipalities conduct successful annual meetings and protect the health, safety, and welfare of voters, election workers, and candidates. The secretary of state would further adopt any necessary procedures that ensure the public can monitor polling places and vote counting.

H.48 takes into account municipalities with charters that have more specific provisions regulating annual meeting. Those charter provisions will remain in place and are not affected by the bill. House Gov. Ops. made a point to also include language that encourages municipal cooperation between municipal entities. H.48 requests municipal officials – including boards of civil authority and municipal clerks – to cooperate with school districts and other incorporated districts with administering annual district meetings and budget votes. School districts in particular rely heavily on towns and cities to help perform their annual meetings; to the extent practicable, they both should be working together to align meeting dates and resources. This will both ensure the best use of limited monetary and human resources and create less confusion and a more streamlined process for voters.

VLCT thanks both Government Operations committees, House and Senate leadership, and the secretary of state for shepherding this legislation to the finish line in record time. The bill is now in the hands of the House Clerk's office and will go to the governor's desk for his signature in the coming days.

Committees Dive in to Work

This week, legislative committees organized themselves by electing the committee clerk, enumerating members' priorities, and welcoming legislative staff and administration representatives to explain both committee areas of jurisdiction and administration requests.

Those requests do not yet include budget recommendations as those discussions are traditionally held until after the governor's budget address, which he will deliver next Thursday at 2:00. (You can watch the address by clicking the Watch House Live Video link on the legislative website's home page.) Immediately after his address, administration commissioners and secretaries descend on the various committees to explain their proposed budgets.

Your Advocacy staff follows legislation that affects local government, and a lot of those bills land in the Government Operations, Transportation, Natural Resources, Energy and Technology, and the four money committees. The top priorities this session are stabilizing the Vermont economy, developing a budget that is sustainable in the long term after COVID-19-related federal assistance is exhausted, and addressing the pandemic and its aftermath. Clearly, both Appropriations committees and the House Ways and Means and Senate Finance committees will focus on the revenue picture for the General, Education, and Transportation Funds in addition to economic recovery and addressing the COVID crisis. Ways and Means also heard a dated and fairly skewed report on tax increment financing districts this week, and all committees heard revenue updates from the Joint Fiscal Office.

The Emergency Board is meeting next Tuesday, January 19, to hear revenue forecasts from the state economists. The Senate Finance and House Ways and Means committees will soon receive recommendations from the two-year Tax Structure Commission, which thoroughly studied education and consumption taxes as well as the balance of revenue sources that make up the state budget.

However, legislative priorities this session extend far beyond those key issues.

Some priorities are developed and refined in caucuses before they are introduced in the form of bills. House and Senate members may join a variety of caucuses, which are essentially groups of legislators committed to working together to further a particular set of issues. In addition to the Democratic, Republican, and Progressive Party caucuses, other legislative caucuses include Climate Solutions, Workers, Tourism, Rural, Sportsmen's, Older Vermonters', National Guard, and Social Equity. You won't find meeting announcements of those other caucuses on the legislative website, making it tricky to follow those conversations – unless you happen to hear the announcement during a House or Senate floor session.

Priorities of the Senate Government Operations Committee include:

- Elections, mail-in ballots, defective ballot curing, voter checklists
- Municipal public records
- Ethics
- Law enforcement
- Data collections and systemic demographic data collection
- Municipal records (from lessons learned during COVID-19)
- Non-citizen voting, rank choice voting (in charters)
- Self-governance pilot proposal from the last biennium

The House Government Operations Committee is concerned about law enforcement and elections as well.

The Senate Natural Resources and Energy Committee's priorities are:

- Soil health and regenerative soils
- Spreading bio-solids and PFOA
- Giving towns tools to address PCBs lead and radon
- Broadband
- Renewable and affordable energy and climate change
- Act 250
- Contaminated sites and brownfields
- Single use plastics

House Natural Resources' first priority is to consider again the provisions in the comprehensive Act 250 reform bill that passed out of that committee last year.

The Senate Economic Development, Housing and General Affairs Committee and companion committees in the House will continue to try to facilitate the construction of affordable housing, spur economic recovery efforts, provide for stressed Vermonters' basic needs during the pandemic, and address employee/employer issues.

Both Transportation committees typically address matters vital to local governments' core statutory responsibilities: keeping the roads open and "accessible to a pleasure car in all seasons of the year".

Those functions have significantly expanded in recent years to include alternative transportation; networks that are friendly to pedestrians, bicycles, and electric vehicles; and mass transit. See page 5 for details on the Transportation Bill this year.

Your Advocacy staff will keep you up to date as issues that are taken up in the legislature develop. We welcome your feedback! Please email us at Khorn@vlct.org or Gzakov@vlct.org .

Federal Funds Aid in COVID Relief and Economic Recovery

The Consolidated Appropriations Act (CAA) passed by Congress and signed by the President in December, included both the federal budget for Federal Fiscal Year 2021 (which started on October 1, 2020) and a new federal economic relief package of $900 billion. That relief package built on the $4 trillion Congress had previously appropriated to address the pandemic.

Importantly, the CAA extended the time for using Coronavirus Relief Fund (CRF) dollars through December 31, 2021. According to Vermont's Joint Fiscal Office, the extension could affect $10 to 30 million that remains unspent. One helpful result for local governments is that the Joint Fiscal Committee was able to re-allocate up to $2 million to pay for mailing of Australian ballots for town meeting in towns and other districts that decide to employ Australian ballot for their annual meeting. Another request from local governments is to extend into 2021 the timeframe in which to spend CRF Local Government Expense Reimbursement (LGER) grant money. While all those dollars have already been granted, not all cities and towns were able to spend them before the original December 20 deadline. Likewise, there may be opportunities to extend funding to help customers pay municipal utility bills (electric, water, wastewater) through the Vermont Covid-19 Arrearage Assistance Program administered by the Department of Public Service.

As described by the Joint Fiscal Office, total CRF funds allocated or appropriated are $1,240,393,078 of the $1.25 billion grant that Vermont received. By any standard, that is quite a feat, inasmuch as the Coronavirus Aid, Relief, and Economic Security (CARES) Act was passed March 27 and, under its provisions, all funds had to be spent by December 30, 2020.

The Joint Fiscal Office estimates that total relief from the CAA that is coming to Vermont will be between $1.4 and $2.5 billion, much of which will be allocated directly to programs such as individual stimulus payments of $600, Paycheck Protection Program funding, small business assistance, and unemployment insurance. The amount that the legislature will have discretion to allocate is approximately $650 million, which includes $45 to50 million for vaccine funding, testing, tracing, and mitigation. Despite the valiant efforts of the Vermont delegation and many others – including those of you who contacted the delegation's offices – the CAA contains no direct aid to municipalities or states.

On Thursday evening, President-Elect Joe Biden proposed a $1.9 trillion emergency relief package – the American Rescue Plan – that would address the twin crises of the surging pandemic and backsliding economy. As he noted, nearly one million people filed for unemployment in the last week. Other priorities in his proposal include re-opening schools, a $15-per-hour minimum wage, and $350 billion in emergency aid for state, local and territorial governments.

Your Advocacy staff will keep you up to date as the details of the CAA and the fate of the American Rescue Plan unfold.

Resources

- CRF Appropriation Tracker
- CAA Economic Relief Stimulus Package

Transportation 101

Typically, the first few weeks of a legislative session look and feel like a crash course in different subject matters for both new and veteran legislators. And transportation is one of the most dense and complicated subjects. This week, both chambers' transportation committees began hearing from the Vermont Agency of Transportation (VTrans), the Legislative Council and the Joint Fiscal Office to understand the laws, finances, and policies that comprise Vermont's transportation landscape. The House Transportation Committee leads the creation of each year's transportation budget bill, therefore that committee got very detailed presentations from legal counsel on federal and Vermont transportation law and from the Joint Fiscal Office explaining the budget process and the ins and out of how the state funds all transportation initiatives.

Both committees heard an update from Transportation Secretary Joe Flynn on the state of the state's transportation system and agency. Committees also were updated by different VTrans division heads regarding the work of their individual divisions. Generally, these updates take several weeks to complete. The agency's strategic plan is as follows:

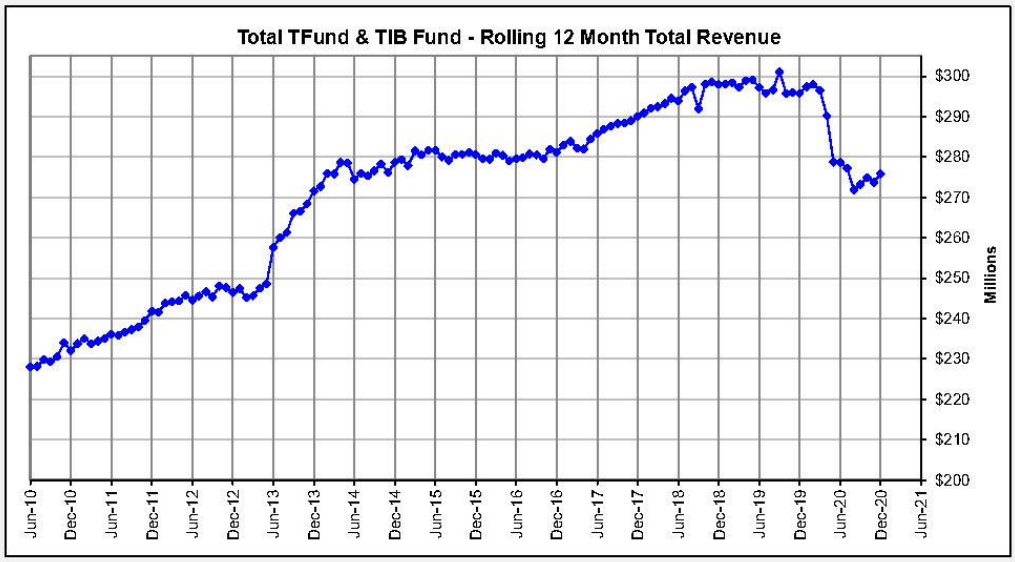
- Promote organizational excellence by attracting, developing, and retaining a talented, diverse, and engaged workforce.
- Transition to an energy efficient, advanced technology transportation system.
- Grow Vermont's economy by providing a safe, reliable and efficient transportation system in a state of good repair.
- Make Vermont more affordable and serve the vulnerable by proving accessible, convenient, and affordable travel choices.
- Modernize and improve government efficiency through innovation, continuous improvement and quality customer service.

All decisions and policy considerations spearheaded by the agency are made with the state's strategic plan in mind. Municipalities have nearly identical transportation goals and considerations at play – although at smaller scales and multiplied across more than 246 municipal jurisdictions. Municipalities depend not only on state and federal aid to help pay for their transportation infrastructure over their 13,090 miles of town Class 1-4 highways, but also the agency's technical and professional services and support to keep the entire state's transportation network functioning and in good repair. This partnership with respect to Vermont's transportation system is probably the most important and interconnected alliance municipalities have with state government.

As the legislature addresses another difficult budget year, it is very important that the budgetary struggles of local governments are not lost in the process. The COVID-19-related revenue impacts have only further

exacerbated an already stressed state transportation budget that relies on revenues from sources that no longer keep up with the needs of our transportation system. The biggest sources of state revenues are the gas taxes and assessments. However, as vehicles become more efficient, as driver drive less and as the use of electric vehicles increase, this tried and true source of reliable revenues will continue to diminish year over year. Other sources of revenue such as Department of Motor Vehicle fees and Purchase and Use taxes are also limited in their growth potential because Vermonters only have so much tolerance for more fee increases.

TRANSPORTATION REVENUES OVER TIME



There are indications that the extension of the federal Fixing America's Surface Transportation (FAST) Act and Congress' Consolidated Appropriation Act, passed into law last month, will lessen the blow to Vermont's transportation budget concerns. State officials are still determining exactly how much money Vermont will receive, with the early estimate around $83 million. The bulk of the funding is directed to the state's Federal Highway Administration Surface Transportation Block Grants, which are estimated to receive slightly over $50 million. These block grants offer flexible funding for a wide variety of state and municipal transportation projects that preserve and improve our state's transportation infrastructure. The second largest program funding increase is for the Rural Area Formula Program, with state funding estimates in excess of $26 million. This program provides capital, planning, and operating assistance to support public transportation in rural areas with populations of fewer than 50,000. VTrans is currently planning how to distribute these funds, and those plans are expected to be reflected in the upcoming budget this session.

Estimated COVID-19 Relief Federal Transportation Funding for Vermont (H.R. 133)	
Grant	Estimated Funding ($)
FAA – Airport Coronavirus Response Grant	3,922,116
FHWA – Surface Transportation Block Grant	50,411,349
FTA Sec. 5307 - Urbanized Area Formula Grants	2,480,670
FTA Sec. 5310 - Enhanced Mobility of Seniors and Individuals with Disabilities	89,028
FTA Sec. 5311 – Rural Area Formula Grants	26,725,119
Total Transportation Investment Directed to Vermont	**$83,628,282**

Estimates from Federal Funds Information for States. December 23, 2020.

VLCT looks forward to working with the legislature, the administration and the agency to direct a fair and reasonable proportion of these funds to municipalities and municipal projects. Once the governor presents his budget at the end of the month, the real work will begin in committee. VLCT Advocacy staff look forward to being a partner in the process.

Resources
- Joint Fiscal Presentation on Transportation Funding
- Joint Fiscal Detailed Primer on Budget Process
- AOT 2020 Performance & Highlights

Governor Issues First Executive Orders of 2021

On Thursday, Governor Phil Scott issued the first two executive orders of his new term of office, taking action to reorganize components of state government, which the legislature has been unable to do for many years. Any organizational changes made by the governor are subject to *disapproval* by the legislature.

EO-01-21 creates the Agency of Public Safety, effective April 15, 2021. The executive order cites the Department of Public Safety's ten-point strategy to accelerate progress in the organization of state law enforcement operations, modernize data collection, expand crisis response, enhance development of model policies, develop community oversight models, and address training and dispatch. The new agency, headed by a secretary and deputy secretary, would include a Department of Fire Safety and Emergency Management, a Department of Law Enforcement, and a Division of Support Safety., The Criminal Justice Council, Motor Vehicle Enforcement Division, and the Vermont Enhanced 911 Board would be added on July 1, 2021. EO 01-21 was sent to the House Government Operations Committee.

EO 02-21 restructures the Natural Resources Board to comprise three full-time professional members as of July 1, 2021. Board members will be eventually be appointed for six-year terms. The executive order transfers many responsibilities of district commissions to the Natural Resources Board, including whether to determine an application minor or major. EO 02-21 was sent to House Natural Resources.

Resources
- EO 01-21
- EO 02-21

Declaration of Inclusion

On Wednesday morning, the legislature's Social Equity Caucus held its weekly meeting. As is typically the case, members discussed myriad subjects, one of which was that the Town of Pittsford adopted a "Declaration of Inclusion" at its November 4 selectboard meeting. Within the next few weeks, the VLCT will launch its own Equity Committee, and many towns around the state are likewise hosting equity and inclusion committees or hiring directors of equity. A declaration such as Pittsford's clearly establishes the intention of the community as it undertakes some very hard work.

> "The Town of Pittsford condemns racism and welcomes all persons, regardless of race, color, religion, national origin, sex, gender identity or expression, age, or disability, and will protect these classes to the fullest extent of the law.
>
> "As a town, we formally condemn discrimination in all of its forms and commit to fair and equal treatment of everyone in our community.
>
> "The Town of Pittsford has been and will continue to be a place where individuals can live freely and express their opinions."

Elsewhere in the State House

Joint Fiscal Committee. The Joint Fiscal Committee reviews fiscal issues and is charged with approving grants, carrying out rescissions under 32 V.S.A 704, and overseeing the legislative fiscal staff who work for the Joint Fiscal Office. Last session, the committee met *25 times* to oversee the distribution of Coronavirus Relief Fund money.

The newly appointed committee for the 2021-2022 biennium consists of:

Rep. Janet Ancel, Calais
Rep. Timothy Briglin, Thetford
Rep. Peter Fagan, Rutland City
Rep. Mary Hooper, Montpelier
Rep. Emilie Kornheiser, Brattleboro

Sen. Becca Balint
Sen. Ann Cummings (ex officio)
Sen. Jane Kitchel (ex officio)
Sen. Dick Sears
Sen. Richard Westman

Ways and Means Committee Members. Last week's Report inadvertently mis-identified the vice chair of the Ways and Means Committee. Here is the correct list of committee members.

Rep. Janet Ancel, Calais, Chair
Rep. Emilie Kornheiser, Brattleboro, Vice Chair
Rep. Scott Beck, St. Johnsbury
Rep. Patrick Brennan, Colchester
Rep. Canfield of Fair Haven
Rep. David Durfee, Shaftsbury

Rep. Caleb Elder, Starksboro
Rep. James Masland, Thetford
Rep. Christopher Mattos, Milton
Rep. Carol Ode, Burlington
Rep. George W. Till, Jericho

Biweekly Advocacy Chat. Did you miss last Monday's Biweekly Advocacy Chat? If you did, you can still watch it here https://youtu.be/xxxUTAjNHa4. And be sure to catch the *next* always informative video chat, scheduled for Monday, January 25, at eleven o'clock.

BILL NUMBER	SUMMARY OF NEW BILLS	CURRENT LOCATION
H.54	Would implement the recommendations in the Pupil Weighting Factors Report of December 24, 2019, by adjusting the existing factors and adding new factors to calculate equalized pupils while mitigating property tax rate increases that result from these changes.	House Education
H.56	Would authorize the Commissioner of Motor Vehicles to issue permits for the use of blue, amber, and red signal lamps on law enforcement, fire department, and emergency medical service vehicles.	House Transportation
H.57	Would create a Council on the Economic Future of Vermont to develop an economic development plan that includes action steps for Vermont to (1) grow the majority of its food within five years; (2) strengthen and preserve the infrastructure to enable rural Vermont to thrive, including necessary policy changes; (3) increase Vermont household income to the top fifth in the nation; and (4) address and prevent adverse childhood experiences in Vermont.	House Commerce and Econ. Development
H.70	Would authorize the use of low-impact wastewater systems designed to manage and treat wastewater from plumbing fixtures supplied by hand-carried or hand-pumped water.	House Nat. Resources, Fish, and Wildlife
H.72	Would direct the Agency of Education to provide postsecondary career technical education courses at regional technical centers for Firefighter I and Emergency Medical Responder certifications.	House Commerce and Econ. Development
H.73	Would provide funding and create a rural innovation initiative in Bennington and Rutland counties to accelerate the productivity of working and natural lands and to connect the region to northern New England's food economy.	House Commerce and Econ. Development
H.76	Would clarify that a tenant, and not the landowner, has the right to post political signs on the property in order to ensure tenants' rights to express themselves politically.	House Gen., Housing, and Military Affairs
H.77	Would prohibit the use of the property transfer tax revenue dedicated to the Vermont Housing and Conservation Trust Fund for any other governmental purpose.	House Ways and Means
H.78	For the purpose of calculating a school district's excess education spending, costs would not include annual employer-required increases in health insurance premiums.	House Education
H.82	Would allow municipal and cooperative utilities to offer innovative rates and services to their customers.	House Energy and Technology
H.83	Would extend Act 250 jurisdiction to development within 100 feet of a stream above 1,500 feet and any subdivisions above the elevation of 2,000 feet.	House Nat. Resources, Fish, and Wildlife
H.84	Would extend the downtown and village center tax credit program to neighborhood development areas as well as raise the cap on the amount of tax credits available.	House Ways and Means
S.9	Would extend until July 1, 2021, the Commissioner of Labor's authority to waive or amend certain workers' compensation related deadlines and requirements during a state of emergency related to COVID-19. Would also extend the presumption that certain workers who are diagnosed with COVID-19 are entitled to workers' compensation for the disease until July 1, 2021.	Senate Economic Development, Housing and General Affairs

BILL NUMBER	SUMMARY OF NEW BILLS	CURRENT LOCATION
S.10	Would extend until July 1, 2021, certain provisions providing COVID-19 related unemployment insurance experience-rating relief and provisions allowing individuals who quit employment for certain COVID-19 related reasons to be eligible for unemployment insurance benefits.	Senate Economic Development, Housing and General Affairs
S.13	Would require the Agency of Education to develop a plan to implement the equalized pupil weighting changes outlined in the Pupil Weighting Factors Report dated December 24, 2019, produced by a University of Vermont-led team of researchers.	Senate Education
S.14	Would invalidate new binding agreements that would prohibit the construction of accessory dwelling units or the development of small lots able to connect to municipal water and sewer service.	Senate Economic Development, Housing and General Affairs
S.15	Would allow an early or absentee voter to correct certain defects in the voter's early voter absentee ballot.	Senate Government Operations
S.17	Would require public high school students to pass a civics course as a condition of graduation.	Senate Education
S.19	Would require the Department of Health to develop and adopt a statewide climate change response plan. Would require regional planning commissions to help identify climate change related public health risks	Senate Health and Welfare
S.20	Would impose restrictions on the use, manufacture, sale, and distribution of class B firefighting foam containing perfluoroalkyl and polyfluoroalkyl substances (PFAS) and impose restrictions on the manufacture, sale, and distribution of food packaging to which PFAS have been added.	Senate Health and Welfare
S.25	Would require towns to place the issue of retail sales of cannabis on the ballot by March 1, 2022; allow the Cannabis Control Board discretion as to whether to grant any integrated licenses; and require the board to consider reduced license fees for individuals who historically have been disproportionately affected by cannabis prohibition and to present a proposal to the legislature by April 1, 2021, regarding a low-interest loan fund.	Senate Judiciary
S.26	Would establish the Working Group on the Status of Libraries in Vermont to report on the current status of Vermont's libraries and recommend improvements to the public library system; and update and make technical corrections to certain statutes concerning the Vermont Department of Libraries.	Senate Education
S.30	Would prohibit the possession of firearms at childcare facilities, hospitals, and certain public buildings.	Senate Judiciary
S.33	Would authorize the Vermont Economic Progress Council to establish a project-based tax increment financing pilot program.	Senate Economic Development, Housing and General Affairs
S.34	Would create a housing bond or series of housing bonds supported by property transfer tax revenues to provide funding to the Vermont Housing Conservation Board for permanent affordable housing developments and improvements.	Senate Economic Development, Housing and General Affairs

Please note: For the 2021 session, the *Weekly Legislative Report* will be an all-digital publication with *this* exception: Readers without reliable internet service can receive paper copies **if they notify us at mailings@vlct.org**. Thanks for reading!