

Vermont Planners Association (VPA) Legislative Report - March 29, 2021

Greetings! This week we feature a summary of the FY22 appropriations bill taking shape in the House along with some other new bills. And in the Senate, there was activity on the floor last week but details on the bills that passed are slow to emerge. Note the reports below on Senate committee discussions on key planning-related bills. Have a great week!

--Faith Ingulsrud

House Bills

Reported by Alex Weinhausen

Only four new bills were introduced on the House side last week (bills reviewed through H.439). Summaries of three of these below.

H.437 – Property Transfer Tax Surcharge - This bill proposes to create a property transfer tax surcharge on the value of property transferred over \$1,000,000.00 and to allocate the surcharge revenue to the General Fund. This surcharge is on top of the existing property transfer tax, but whereas the base property transfer tax revenue is divided up to support planning, housing, land conservation, the general fund, etc., note that 100% of the new revenue from this surcharge will go to the general fund. Some support for affordable housing included via increases in the tax credit amount available for purchase and restoration of affordable manufactured homes. Those tax credit allowance increases are not tied to the new revenue stream from the property transfer tax surcharge. The bill passed the House on March 26 and is now on to the Senate.

H.438 – Capital Improvement Funding Bill – This bill lays out capital improvement funding for the biennium, including use of some of the federal funds from the American Rescue Plan. Includes capital funding for various DHCD-administered programs, VHCB, ANR clean water funding, etc. This bill passed the House on March 26, and is now on to the Senate.

H.439 – FY22 Appropriations – BIG BILL – This is the FY22 budget bill, and yes, it refers to itself as the “BIG BILL.” With all that extra federal funding from the American Rescue Plan, it’s big alright! All the State’s proposed spending priorities for FY22 are outlined in this 186-page bill. Interested? I recommend using a search tool to find terms you’re interested in – e.g., housing, plan, etc. Some highlights:

Allocation of the American Rescue Plan State funding – broad categories:

- \$250 million for investments in the health and well-being of families and small businesses.
- \$150 million for increasing broadband access statewide.
- \$100 million for the Clean Water Fund for eligible expenditures on water and sewer infrastructure.
- \$100 million for State information technology improvements.
- \$50 million to address COVID-19 related workforce training and development.
- The rest to be saved and allocated in FY23.

Specific items:

- \$5 million to DHCD for the Downtown Transportation Fund, in part to help fund the [Better Connections Program](#)
- \$3 million to DHCD for the [VT Housing Investment Program](#) – one time funding for: 1) rental housing investment (improve existing rental properties to bring more dwelling units online); 2) incentives for the purchase and rehab of dilapidated housing. With 25% of the funds dedicated for minority and marginalized households.
- \$40 million to VHCB to be used primarily for affordable housing initiatives.
- \$2 million for the Agency of Agriculture's Working Lands Program.
- \$875,000 to ACCD for \$75,000 grants to each regional planning commission – to recognize increased demands from COVID-19

In House Committees This Week

S.102 - On-farm Composting - Testimony in House Agriculture and Forestry on Tuesday (3/30) at 1pm, and on Wednesday (3/31) at 9am.

H.211 – Recovery Residences – Discussion in House General, Housing, and Military Affairs on Tuesday (3/30) at 1pm.

H.347 – Tiny House Standards – Bill introduction in House, General, Housing, and Military Affairs on Tuesday (3/30) at 1pm.

S.79 – Rental Registry & Code Enforcement – Bill introduction and walk-through in House General, Housing, and Military Affairs on Wednesday (3/31) at 9:15am.

DR 21-0956 - Act 250 VT F&W review reimbursement - portion of House Natural Resources, Fish and Wildlife Committee Bill – Testimony from witnesses in House Natural Resources, Fish and Wildlife on Tuesday (3/30) at 1pm.

Senate Bills

Reported by Sharon Murray, with special thanks for input/updates this week from Legislative Intern, Daniel Jarrard.

On the move

The following bills passed the Senate last week, and are on their way to the House. The full versions of bills, as amended voted out last week, as of this update are not yet available for review. Most committee amendments appear to have made it into bills as passed – but we hope there will be more details to come.

S.25 – Cannabis Regulation. After making the rounds between Judiciary, Finance and Appropriations, the Senate’s cannabis bill passed as amended on Thursday. As voted out of the Senate, it includes the provision that, “On March 8, 2023, any municipality that has not previously voted on the question of permitting the operation of cannabis establishments pursuant to subdivision (1) of this subsection shall be deemed to permit the operation of both cannabis retailers and integrated licensees.”

S.33 – TIF Projects. S.33 was voted out on Thursday, incorporating floor amendments offered by S. Finance, mainly having to do with existing TIF District statutes, including reducing the number of allowed TIF districts from six to four. As passed, VEPC is authorized to approve a total of not more than 10 TIF projects, and no more than three per year or one per municipality, during the pilot program period extending from January 1, 2022 to December 31, 2026. “Project” is defined to mean a public improvement with a total debt ceiling, including related costs, and principal and interest payments, of not more than \$5,000,000.00, which also meets stated criteria.

S.66 – E-Bicycle Regulation. This bill, intended to clarify state and local regulation of electric bicycles, under three classes of motorized bikes, passed the Senate on Wednesday as introduced. Now in H. Transportation.

S.79 – State Rental Registry, Code Enforcement. This bill along with several proposed amendments, got a lot of floor time last week, and finally passed the Senate in a Friday roll call

vote (22-7). The full text of the bill as amended is not yet available. Hopefully we'll be able to provide details next week.

S.102 – On farm Composting. This bill, transferring regulation of on farm composting of residual food waste from ANR to AAFM, was voted out on Thursday, as amended by S. Natural Resource committee members. As amended:

- The rules shall prohibit a farm from initiating the production of compost on or after July 1, 2021 within a downtown, village center, new town center, neighborhood development area, or growth center designated under 24 V.S.A. chapter 76a, unless the municipality has expressly allowed composting in the designated area under the municipal zoning or subdivision bylaws or in an approved municipal plan; and
- The rules adopted under this section shall be designed to reduce odor, noise, vectors, and other nuisance conditions on farms and to protect the public health and the environment in a manner that is equal to or better than the rules for compost facilities in the Agency of Natural Resources' Vermont Solid Waste Management Rules, as amended.

Next Up:

S.101 – Bylaw Enhancement Grants. In related news, S.101 was also taken up on the floor Friday, to include an amendment introduced by Senator Parent to add language from previous bills that would exempt housing development in designated areas from Act 250. This was ultimately ruled to be not germane to the bill and thrown out, but Bray noted his support for continuing this discussion in committee. Senator McCormack asked for a separate vote on sections 10 and 11 (municipal infrastructure connection authorizations) that was also ruled out of order. In the end, S.101 has been scheduled for a final floor vote on Tuesday as proposed for amendment in S. Economic Development (to allow for multiple connections), S. Natural Resources (to add criteria for municipal connection authorizations), and in S. Appropriations (to strip out proposed municipal grant and training appropriations, for consideration under the budget bill, and to maintain the existing limit on tax credits).

In Committee:

S. 96 – State Planning Office Study. Legislative Counsel Ellen Czajkowski provided a walk-through of the bill in S. Government Operations last week. Senator Ram discussed her intent in introducing it, noting the need for better coordinated state agency planning; and to expand planning beyond land use, to also consider infrastructure, budgeting, and equity issues. Senators Clarkson and Pollina offered their general support. Senator Collamore questioned potential duplication, and why they couldn't simply revive the SPO in statute, rather than

creating something new. Senator White and others discussed the need to more clearly define the responsibilities of an SPO. The committee agreed to continue the discussion, and schedule testimony. VPA is specifically referenced in proposed legislation, not as a member of the study committee, but as one of several organizations for them to consult with, along with RPCs.

S.119 – Community Energy. S. Natural Resources met with a number of renewable industry reps last week to discuss the committee’s proposal for a new category of mid-sized “community” net-metered renewable energy facilities (>500kW, <5MW) as outlined under S.119. Much of the discussion, however, focused on the status of the grid and the need for additional storage capacity, as an important area of investment going forward. The committee is scheduled to take additional testimony on the bill on Wednesday.

ARPA Infrastructure \$. S. Natural Resources also met with reps from Vermont’s federal delegation last Thursday to get an initial overview of ARPA funding coming to the state, particularly for infrastructure. It looks like program details won’t be available until the end of the session, at the earliest. They also heard last week from the Lake Champlain Citizen Advisory Committee regarding challenges faced by the state and advocates in dealing with existing and emerging threats to the lake, including phosphorus, wastewater and CSOs, toxics and invasives. They also noted that the Clean Water Fund is clearly helping these efforts, but additional funding and regulations (e.g., for toxics) are needed.

Senate Calendar, Week of 3/29 (partial list):

S.119 – Community Energy. S. Natural Resources and Energy, Wednesday (3/31), 8:30 AM

H.360 – Broadband. S. Finance, Tuesday (3/30), 1:30 PM

H.433 – T-Bill/Policy, Planning, Downtown Program. S. Transportation, Friday (4/2), 9:15 AM