

Vermont Planners Association (VPA) Legislative Report - May 10, 2021

Greetings! With the 2021 legislative session now wrapping up, all eyes are on the conference committee negotiating the budget bill. Our report this week consolidates the House and Senate bills into one status update. We reflect on the lack of funding for the kinds of strategic/targeted planning - such as for housing, master planning or capital improvements - that are necessary to achieve the economic, environmental and social goals the state aspires to. And... the Climate Council report is back.

--Faith Ingulsrud

House and Senate Bills

Reported by Alex Weinhagen with assistance from Sharon Murray and Legislative Intern, Daniel Jarrard.

The legislative session is definitely winding down, with less committee activity, and ducks in a row for adjournment in the next week or two. Tentative adjournment date is still May 22.

Reaching agreement on the budget bill is the last big hurdle, and the timing of that will dictate adjournment. The Senate substantially revised the House version of the budget bill (H.439), so those differences must be worked out by a conference committee that was appointed on May 7. The Senate version includes proposed ARPA funding allocations for RPCs (pandemic recovery, brownfields assessment), for DHCD's enhanced bylaw grants, and to DEC for water/wastewater system infrastructure in underserved designated areas.

The Governor did not support the House version of the budget bill. He indicated that the Senate version is better, but he is still suggesting substantial changes, and the threat of a veto continues to loom. Senator Balint (Senate President Pro Tempore) expressed appreciation for a 13-page letter the Administration sent last week, which details the areas of common ground and the Governor's suggested revisions. The Governor's letter stressed that there is plenty of money to meet everyone's objectives.

We live in a strange time with the first installment of vast ARPA federal funding arriving in just a few weeks, and State revenue surpluses and forecasts growing into the hundreds of millions. Once in a life-time community and infrastructure investment opportunities are about to blossom. As for the budget negotiations, it's not whether we will spend vast sums of money, it appears to be more a matter of what spending will be covered by ARPA funds versus general State funds.

On a slightly glum note... VLCT appropriately pointed out in their April 30 legislative report that, "Although property transfer tax revenues are running far ahead of projections, the appropriation for Municipal Planning Grants sadly remains at \$457,000, where it has been since 2015." It should at least be restored to the \$800,000 level allocated to MPGs in the past.

All of us in Vermont's planning community need to do a better job of making the case to the Administration and the Legislature for funding increases to this key program. Property transfer tax revenue provides the funds for this program and some of the surpluses in that revenue stream should be invested in planning for municipalities. Planning is key to effectively accomplishing all the ambitious spending on infrastructure, housing, and economic recovery over the next few years. Hard to meet those objectives at the community level when the State has level-funded the successful and always over-subscribed Municipal Planning Grant program for the last six years.

New bills introduced

No new bills with a planning nexus.

Committee discussion last week

H.159 – Better Places Program. This bill (draft 9.1) was finally voted out of S. Economic Development and forwarded to S. Appropriations on Friday for review before Senate floor votes, expected this week. The Senate version includes DHCD's Better Places Program, targeted to designated areas, and the establishment of the Better Places Fund. It includes definitions for qualifying "public space," sets a maximum grant award at \$30,000, and a minimum community/crowdfunding match requirement of 33%. It also includes a \$1 million appropriation to the fund to provide grants in 2022 and 2023 "... in as many geographical areas of the state as possible." As proposed, the program will end on July 1, 2023.

S.79 – Rental Registry & Code Enforcement – This bill passed the Senate and made it through House General, Housing and Military Affairs last week – apparently a strike-all version was voted out on May 6. A strike-all version means that the committee rewrote substantial sections of the bill – enough that it was easier to simply replace the Senate-passed version with a new version. The bill is now being reviewed by House Ways & Means. There is substantial new funding in the bill, so we'll see what the budget hawks strip out of the bill. New funding: additional inspectors in the Division of Fire Safety, additional DHCD staff to maintain the rental registry, \$3 million for grants and loans through the VT Rental Housing Investment Program, \$1 million for loans through the VT Homeownership Revolving Loan Fund. A floor vote by the full House is expected in the next week or two – i.e., prior to adjournment.

S.33 – TIF Districts & Project-based TIF – This bill passed the Senate and was effectively gutted by the House Commerce and Economic Development committee two weeks ago. What is left of the bill (TIF district revisions) is now being discussed in the House Ways and Means Committee. They even expressed concern about the last shreds of the bill, which allow some initial debt service to be paid for from TIF revenue. It's unclear whether it will make it to the House floor at all.

S.101 – Housing and Bylaw Modernization – This bill passed the Senate and was voted out of the House Natural Resources, Fish and Wildlife Committee last week. The municipal bylaw modernization section remains, but the rest of the bill was stripped away. House Natural Resources stripped out the "controversial sections" (sections 7&8) that proposed to eliminate the

duplication in State water/wastewater permitting for development that will connect to a municipal water/wastewater system. House Ways and Means then took up the bill, and proceeded to eliminate sections 3-6 that relate to expanding the downtown and village center tax credit program to neighborhood development areas. House Natural Committee members weren't pleased about this, but acquiesced due to a lack of time and a desire to avoid a floor fight. The bill is now being reviewed by the House Appropriations Committee. Will there be anything left of the bill if and when it reaches the House floor? Would the Senate concur with a much diminished bill? Stay tuned.

Act 250 Reform – H.120 & H.400/S.112 – House Natural Resources, Fish and Wildlife finished their walk through of H.120. According to our intern, there was no notable discussion. It's unclear if they aim to vote it out of committee this session, or hold it over and finish their work in 2022. Given that the end of the session is coming soon, it will likely stay in this committee for more work in 2022.

S.1 - Energy/Baseload Renewable Power Portfolio (Ryegate) – This bill passed both the Senate and House on May 7 after concurrence on their different versions. It will now head to the Governor for review and action.

S.25 – Cannabis Revisions – This bill passed the Senate, and a strike-all version was voted out of the House Government Operations Committee last week. Interestingly, the committee removed the provision in the Senate-passed version that would have changed the required municipal opt-in vote for retail sales. Current cannabis law requires an affirmative municipal vote before retail sales are allowed in a community. The Senate version would have switched to an opt-out pathway – i.e., allowing retail sales if a municipality hadn't voted to prohibit them by March 8, 2023. The bill is now being reviewed by the House Ways and Means Committee. Still unclear if passage will happen before the end of the session.

S.66 - Transportation/Electric Bicycles – This bill passed both the Senate and House on May 7 after concurrence on their different versions. It will now head to the Governor for review and action.

S.102 – Agricultural Designations, On Farm Composting, Food Waste – This bill passed both the Senate and House on May 7 after concurrence on their different versions. It will now head to the Governor for review and action.

S.124 - PUC/Misc Utilities Bill (PUC Jurisdiction) – This bill passed the Senate, and passed the House in a slightly different version last week. The Senate is set to review the House amendment and decide whether to concur next week.

Calendar, Week of 5/10:

H.159 – Better Places Program - H. Commerce and Economic Development Committee will discuss the bill and the changes proposed by the Senate Economic Development, Housing and General Affairs Committee on Tuesday (5/11) starting at 9:00 AM and extending through most of

the day. More discussion scheduled for Wednesday (5/12) at 9:00AM. Note – this bill already passed the House, and is still being discussed on the Senate side.

H.120 – Act 250 Reform H. Natural Resources and Fish and Wildlife Committee will continue discussions of the bill with Legislative Counsel on Thursday (5/13) at 9:00 AM.

H.360 – Broadband. H. Energy, Technology, Senate amendments, Tuesday (5/11), 8:30 AM

H.433 – Transportation Bill. H. Transportation, Senate amendments, Tuesday (5/11), 1:15 PM

H.439 – Budget Bill. Conference Committee, Tuesday (5/11), 9:00 AM ([livestream](#))

S.33 – TIF Districts, Projects. H. Ways and Means, Wednesday (5/12), 9:00 AM

S.79 – Rental Registry, Regulation. S. Economic Development, Tuesday (5/11), 8:30 AM, Wednesday (5/12) 8:30 AM, Thursday (5/13), 8:30 AM; H. Ways and Means, Wednesday (5/12), 10:00 AM

S.101 – Housing, Bylaw Enhancements. H. Appropriations, Wednesday (5/12), 10:45 AM

House Floor Sessions – Tu 10:00 AM, We 1:15 PM, Th 1:15 PM, Fr 9:30 AM [Audio](#) | [Video](#)

Senate Floor Sessions – Tuesday - Friday, 10:00 AM [Audio](#) | [Video](#)

Climate Caucus and VT Climate Council

Reported by Peg Elmer Hough

From the Climate Council Steering Committee's May 10 meeting, they are pulling back from the earlier hope of having draft recommendations ready for public response by June. There's the tight timeline created by the December 1 deadline, and all the time taken thus far to create the membership of subcommittees, as well as addressing social equity concerns in the membership of those committees. They are only just getting down to the hiring of a technical consultant, and won't have information submitted from their economic consultant on costs and how Vermont will pay for implementation, until October, when the final plan will be readied for approval by the full Climate Council.

Currently, they are planning on developing the draft strategies and recommendations over the summer, to be made available broadly to the public in the fall. There will be targeted outreach over the summer, and the continual "public process" during development of the plan -- that their meetings are posted and available to anyone to attend over Zoom. There is a small cadre of "public" following the meetings but few, if any, are raising their hands to speak in the minute or so provided at the very end of meetings. They hope that this will be viewed as an open public process. There is some discomfort in knowing the final plan will be approved by the full Climate

Council before being openly vetted to the public. The response to that is that the Council and the Plan will be an ongoing process, where the December 1 deadline is really just the beginning.

There is much discussion and concern regarding "rural resilience" -- that much of what needs to be implemented to meet Vermont's ambitious climate goals relies on small towns, who may not have the capacity or political will to take on that work.

The Climate Caucus is having an effect on the Council, as the Council members speak to meeting the legislative Caucus concerns. In addition, outreach efforts being taken independently, such as a current series of climate presentations being provided by the Fairbanks Museum (with a substantial amount of time provided for questions and discussion), is serendipitously bringing public feedback directly back to the Council by having included members of the Climate Council in those presentations.