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**Sarah Copeland Hanzas, Secretary of State
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April 16, 2024

**To: Hon. Ruth Hardy, Chair
Senate Committee on Government Operations**

From: S. Lauren Hibbert, Deputy Secretary, Secretary of State

Re: H.875

Dear Committee,

Thank you for the opportunity to testify regarding H.875.

Municipal Ethics

Thank you for the opportunity to have a “cafeteria conversation” with the Ethics Commission and the League of Cities and Towns. We have had two very productive meetings. The proposal below is our attempt of a compromise and a forward-thinking vision for municipal ethics.

Here is where I think we agreed:

- 1) *We recommend that this bill This NOT repeal 24 V.S.A. § 1984 in its entirety or 24 V.S.A. § 2291 in part.* Instead, there would be a state-wide municipal code, and enforcement and complaints would be built into 24 V.S.A. § 2291. Functionally, municipalities should update existing COI prohibitions in the ordinance (adopted by voters under 24 V.S.A. § 1984) or policy (adopted by selectboard under 24 V.S.A. § 2291) to remove/revise portions in conflict with the code and, if necessary, to clearly identify who receives complaints.
 - a. The latter info should be provided to the Ethics Commission by 9/30/2025.
- 2) Training should include only municipal ethics; maybe in the future, it would include open meetings and public records.
 - a. The training deadline for newly elected and currently seated municipal officials should be 9/30/2025.

- b. This will allow the Ethics Commission until 1/2025 to develop the training, and folks will have nine months to take it.
- 3) It should be clear that the Ethics Commission can also receive complaints and would refer complaints to municipalities.
- 4) The Ethics Commission will collect data from municipalities on the number and nature of the complaints.
- 5) State-level enforcement *should not go into effect* in this bill. As mentioned above, municipalities will enforce the uniform code and any supplemental provisions in COI ordinance or policy in the manner established by that ordinance or policy.
- 6) The Ethics Commission should chair a study committee to make recommendations about a long-term plan for enforcement of municipal complaints, with a report to the Legislature due 1/2025.
- 7) A more extensive committee discussion of whistleblower protections re: municipal complaints is warranted.

Here are the areas we currently disagree:

- 1) For whom training should be mandated: All municipal officers? Limited to legislative bodies, quasi-judicial bodies, and elected officials?
- 2) Make-up of study committee: Everyone with a stake or a handful of key players? What is sufficient representation for members of the public? We may not agree on this – and the committee will need to decide. My opinion if asked is that we need an impartial person to author the report AND we need buy-in. This is a tricky balance.
- 3) Whistleblower protections for members of the public. *This is an important piece of the bill for the Ethics Commission; VLCT would like to think about it more.*
- 4) Whistleblower protections for municipal officials and employees against retaliation for disclosing ethical violations should exist, to the extent these protections do not already exist in law. VLCT might be okay with a compromise if it whistleblower language to the state's whistleblower protections for municipal employees and appointed municipal officials.

Here is what we did not discuss:

- 1) Timeline for municipalities to update their COI ordinance/policy; any requirement to share with Ethics Commission? VLCT would like municipalities to be given at least 18-24 months here.

- 2) Excluding investigation/enforcement from trainings until a long-term approach is established. SOS believes this could be excluded from the training but that municipal folks should be told that they need a policy/ordinance and to identify an ethics liaison.

Again, thank you for the opportunity to have these conversations.

Lauren