

1 TO THE HONORABLE SENATE:

2 The Committee on Government Operations to which was referred Senate  
3 Bill No. 106 entitled “An act relating to establishing the Municipal Self-  
4 Governance Program” respectfully reports that it has considered the same and  
5 recommends that the bill be amended by striking out all after the enacting  
6 clause and inserting in lieu thereof the following:

7 Sec. 1. 24 V.S.A. chapter 140 is added to read:

8 CHAPTER 140. MUNICIPAL SELF-GOVERNANCE PROGRAM

9 § 5801. FINDINGS AND INTENT

10 The General Assembly finds that:

11 (1) State law, policies, and procedures at times inhibit or delay the  
12 ability of Vermont’s cities and towns to adopt and implement innovative  
13 solutions to local problems.

14 (2) Often, State law, policies, and procedures limit the ability of cities  
15 and towns to creatively work with the State in a timely and efficient manner to  
16 address the many issues facing Vermont, including economic health, housing  
17 needs, and environmental conservation.

18 (3) Vermont’s cities and towns lack the ability to make the best  
19 decisions to meet their unique, truly local needs.

1           (4) Establishing a pilot program that authorizes a limited number of  
2           cities and towns to engage in self-governance within defined parameters will:

3                   (A) allow the State to determine the current gaps in municipal power  
4                   and agency;

5                   (B) provide a laboratory for cities and towns to develop local  
6                   solutions to particularized issues; and

7                   (C) allow cities and towns within the program to more efficiently  
8                   respond to the needs of their residents.

9           § 5802. DEFINITIONS; ELIGIBILITY

10           As used in this chapter:

11                   (1) “Commission” means the Municipal Self-Governance Commission.

12                   (2) “Municipality” means an incorporated city or town.

13                   (3) “Program” means the Municipal Self-Governance Program.

14                   (4) “Proposal” means a plan that describes the following:

15                           (A) the enumerated powers that the municipality requires for the  
16                   adoption of proposed ordinances that are not in conflict with the U.S.  
17                   Constitution, the Vermont Constitution, and State or federal laws and that  
18                   provide for the health, safety, and welfare of the population within the  
19                   territorial limits of the municipality; and

20                           (B) the measures a municipality expects to pursue, including the  
21                   adoption of any ordinances, acts, resolutions, rules, and regulations.

1     § 5803. PROPOSAL ADOPTION PROCEDURE; SUBMISSION

2             (a) A municipality that seeks to participate in the Program shall submit a  
3     proposal to the legal voters of the municipality present and voting at an annual  
4     or special meeting warned for that purpose in accordance with the following  
5     procedure:

6             (1) An official copy of the proposal shall be filed with the clerk of the  
7     municipality at least 10 days before the first public hearing. The clerk shall  
8     certify the date that he or she received the official copy, and the dated copies  
9     shall be open to public inspection and copying.

10            (2)(A) The legislative body of the municipality shall hold at least two  
11    public hearings on the proposal before the vote at the annual or special  
12    meeting.

13            (B) The first public hearing shall be held at least 20 days before the  
14    vote at the annual or special meeting.

15            (3)(A) The legislative body may revise the proposal in light of  
16    recommendations made at a public hearing, but in no event shall the revisions  
17    be made fewer than 10 days before the date of the meeting to vote on the  
18    proposal.

19            (B) If revisions are made, the legislative body shall post a notice of  
20    these revisions in the same places as the warning for the meeting not less than

1 10 days before the date of the meeting and shall file an official copy of the  
2 revisions with the clerk of the municipality who shall certify the copy.

3 (4) The second public hearing shall be held not later than 10 days after  
4 the first public hearing.

5 (5) After the warning and hearing requirements of this section are  
6 satisfied, the proposal shall be submitted to the voters at an annual or special  
7 meeting in its certified form, except that the legislative body may make  
8 technical corrections.

9 (b) A municipality may seek to amend an approved proposal by submitting  
10 the amendment to the voters according to the procedure contained in  
11 subsection (a) of this section.

12 (c) Upon approval of a proposal or amendment by the voters, the local  
13 legislative body shall submit the proposal or amendment to the Commission.

14 § 5804. MUNICIPAL SELF-GOVERNANCE COMMISSION

15 (a) To assist cities and towns to meet the challenges of the twenty-first  
16 century in creative and sustainable ways, there is created the Municipal Self-  
17 Governance Commission to review proposals for expanded municipal self-  
18 governance.

19 (b) The Commission shall consist of 12 members, appointed as follows:

20 (1) Four members shall be appointed by the Governor, not more than  
21 two of whom shall be from the same political party.

1           (2)(A) Eight members shall be appointed by the General Assembly,  
2           four by the Senate Committee on Committees, and four by the Speaker of the  
3           House.

4           (B) Not more than two appointees shall be members of the General  
5           Assembly, and each appointing authority shall appoint not more than two  
6           members from the same political party.

7           (c) The terms of members shall be two years. Appointments of members to  
8           fill vacancies or expired terms shall be made by the authority that made the  
9           initial appointment to the vacated or expired term.

10          (d) The Commission shall have the following powers:

11           (1) to review, evaluate, and make recommendations concerning a  
12           proposal submitted by a municipality;

13           (2) to consult with State agencies affected by the proposal; and

14           (3) to recommend to the General Assembly the municipalities that  
15           should be approved to participate in the Program.

16           (e) The Office of Legislative Council shall provide administrative and legal  
17           assistance to the Commission, including the scheduling of meetings and the  
18           preparation of recommended legislation.

19           (f)(1) The Speaker of the House shall call the first meeting to occur on or  
20           before November 1, 2019. The Commission shall select a chair from among  
21           its members at the first meeting.

1           (2) Eight members shall constitute a quorum.

2           (g)(1) For attendance at meetings during adjournment of the General  
3           Assembly, a legislative member of the Commission shall be entitled to per  
4           diem compensation and reimbursement of expenses pursuant to 2 V.S.A.  
5           § 406. These payments shall be made from monies appropriated to the General  
6           Assembly.

7           (2) Other members of the Commission shall be entitled to per diem  
8           compensation and reimbursement of expenses as permitted under 32 V.S.A.  
9           § 1010. Payments shall be made from monies appropriated to the  
10          Commission.

11          (h) On or before January 15, 2020, the Commission shall submit to the  
12          General Assembly a report recommending at least one but not more than  
13          10 municipalities to participate in the Program. At any time after January 15,  
14          2020, the Commission may submit a report recommending additional  
15          municipalities be admitted to the Program, but at no time shall more than  
16          10 municipalities be admitted.

17          (i) On or before January 15, 2025, the Commission shall conduct a  
18          performance review of the Program and submit to the House and Senate  
19          Committees on Government Operations a reporting containing:

20                 (1) an evaluation of the effectiveness of expanded self-governance on  
21                 the participating municipalities;

1           (2) a recommendation as to whether the Program should be continued,  
2           reduced, expanded, or terminated;

3           (3) a recommendation as to whether additional legislation is necessary;  
4           and

5           (4) any other relevant matters.

6           (j) Commencing on January 15, 2021 and each year thereafter, the  
7           Commission shall submit to the House and Senate Committees on Government  
8           Operations a summary report containing all municipal progress reports  
9           submitted to the Commission pursuant to subdivision 5805(e) of this chapter.

10           § 5805. PROGRAM MUNICIPALITIES; POWERS AND DUTIES

11           (a) The General Assembly shall approve proposals and any proposal  
12           amendments and admit municipalities for participation in the Program.

13           (b) A municipality that is approved by the General Assembly for  
14           participation in the Program shall have the authority to adopt or amend any  
15           ordinance pursuant to the powers granted in the municipality's approved  
16           proposal.

17           (c) A municipality's proposal shall not include the authority to adopt or  
18           amend an ordinance that is inconsistent or in conflict with:

19           (1) the U.S. Constitution, the Vermont Constitution, or federal law;

20           (2) the Vermont Public Records Act and the Open Meeting Law;

21           (3) 24 V.S.A. § 2295;

1           **(4)** State law governing:

2                   (A) firearms;

3                   (B) the environment, conservation and development, or fish and  
4 wildlife;

5                   (C) crimes and criminal procedure;

6                   (D) cannabis;

7                   (E) the State Lottery and games of chance; and

8                   (F) alcoholic beverages, except that a municipality may increase local  
9 license fees subject to the requirements of 7 V.S.A. § 204(b);

10                   **(G) health care insurance**

11                   **(H) banking, securities, and insurance;**

12                   **(I) electric utilities;**

13                   **(J) workers' compensation, minimum wage, benefits, and**  
14 **employment protections; or**

15                   **(K) elections.**

16           (d) A municipality shall only have the power to adopt an ordinance or  
17 bylaw that applies within the territorial limits of the municipality. A  
18 municipality shall not have the power to adopt an ordinance requiring or  
19 prohibiting action by any other municipal corporation.



1       (e) Commencing October 1, 2020 and each year thereafter, each  
2       participating municipality shall submit a progress report to the Commission.

3       The municipal progress report shall contain the following information:

4               (1) a narrative description of how the authority granted under this  
5       chapter has been exercised in the municipality and any resulting positive or  
6       negative impacts;

7               (2) a list of the ordinances adopted pursuant to an approved proposal  
8       during the preceding year, including a description of each;

9               (3) the estimated fiscal impact of the ordinances;

10              (4) a summary of any pending or active suits, proceedings, or petitions  
11       challenging the ordinances; and

12              (5) any information that the Commission may require for the purposes  
13       of this chapter.

14       § 5806. EXPIRATION

15              (a) The Program shall terminate on July 1, 2029 unless extended by the  
16       General Assembly. An ordinance adopted pursuant to this chapter shall  
17       continue in full force and effect until repealed by the municipality or  
18       preempted, superseded, or repealed by an act of the General Assembly.

19              (b) No ordinances may be enacted by a municipality after July 1, 2029  
20       unless otherwise authorized by the General Assembly.

1       Sec. 2. EFFECTIVE DATE

2       This act shall take effect on passage.

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4       (Committee vote: \_\_\_\_\_)

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\_\_\_\_\_  
Senator \_\_\_\_\_

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FOR THE COMMITTEE

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DRAFT