



STATE OF VERMONT
OFFICE OF LEGISLATIVE COUNSEL

MEMORANDUM

To: County and Regional Governance Study Committee

From: Tim Devlin, Legislative Counsel

Date: October 21, 2024

Subject: Intermunicipal Agreements & Regional Planning Commissions

This memorandum aims to provide an introduction to intermunicipal agreements—that is, interlocal contracts and union municipal districts—and regional planning commissions, as described in the Vermont Statutes Annotated. While these represent only a few of the possible forms regional government takes in this State (see Appendix i: List of Vermont Regional Governmental Entities), these illustrate the variety of considerations involved in forming regional governance, such as the purposes for which these are organized, the levels of involvement and obligation between existing municipalities, the processes for establishment, the organizational structures, the modes of funding, and the powers granted by the Legislature.

1. Intermunicipal Agreements

Intermunicipal agreements in Vermont, as detailed in [24 V.S.A. Chapter 121 \(Intermunicipal Cooperation and Services\)](#), take two basic forms.¹ The first, an “interlocal contract,” is a strictly contractual relationship between municipalities² to perform governmental services, activities, or undertakings. The second, a “union municipal district,” is a more involved legal relationship between municipalities that creates a ‘super-structure’ that constitutes a new legal entity (a new ‘body politic and corporate’) with its own governance structure, which dissolves at the decision of the governing body. The chief difference between these two forms is that the districts take on the trappings of an independent local government and have the ability to conduct large operations, like bonding itself for construction and improvements.

¹ Chapter 121 also addresses “intermunicipal insurance agreements” in Subchapter 6 (§§ 4941–47), wherein two or more municipalities may enter an agreement to secure insurance or self-insure. See [24 V.S.A. § 4942](#). omitted analysis of these agreements has been omitted from this memorandum on account of these falling outside of the purview of this Committee.

² Chapter 121 defines “municipality” the same as in [1 V.S.A. § 126](#), to “include a city, town, town school district, incorporated school or fire district or incorporated village, and all other governmental incorporated units.”

| | Interlocal Contract | Union Municipal District |
|------------------------------|---|--|
| Authorized by: | 1. Attorney General 2. Resolution of municipal legislature | 1. Joint Survey Committee 2. Attorney General 3. Voters of each municipality |
| Purpose: | To perform any governmental service, activity, or undertaking. | To provide more independent and broader governmental services. |
| Powers: | NA. | As a ‘body politic and corporate,’ may: 1. sue and be sued; 2. hold, convey real and personal estate; 3. have employees; 4. contract with consultants, State and federal governments, member municipalities, and sheriffs for services; 5. “promote cooperative arrangements and coordinated action among its participating municipalities”; 6. and “borrow money and issue evidence of indebtedness.” |
| Receiving Aid and Assistance | 1. State is empowered to furnish and make available services, assistance, funds, property, and other incentives to effectuate economy or simplification in the administration or financing thereof. | 1. State is empowered to furnish and make available services, assistance, funds, property, and other incentives to effectuate economy or simplification in the administration or financing thereof. 2. May also accept, receive, and disburse any funds, grants, and services from any source |

A. Interlocal Contracts

[24 V.S.A. Chapter 121](#), Subchapter 4 (§§ 4901–02) enables municipalities to enter into interlocal contracts and describes the parameters for doing so. One or more municipalities may contract with any other municipality or municipalities to perform any governmental service, so long as the legislative body of each municipality approves the contract and the related expenses are included in the budget of an expending municipality. *See* [24 V.S.A. § 4901\(a\)](#).³ A contract *shall* set forth fully the purposes, powers, rights, and objectives, and responsibilities of the contracting parties. *See* [24 V.S.A. § 4902\(a\)](#). The contract *may* provide for: a method of choosing and terminating officers and that one person may hold the same offices in the participating municipalities (e.g. the Head of the Highway Department); a designation of a local or regional board to have jurisdiction in all contracting municipalities; a transfer of all or a portion of local services from one municipality to another; the acquisition, maintenance, and use of property and services; and the management of special funds for joint municipal activities. *See* [24 V.S.A. § 4902\(b\)](#).

³ A municipality *may* opt to submit an interlocal contract to the Attorney General for review prior to approval by its legislative body. *See* [24 V.S.A. § 4901\(c\)](#). If a municipality does so, it must wait 30 days before it may approve the contract. *See id.* Unlike, the review requirement for union municipal districts in [24 V.S.A. § 4802](#), which states that “[n]o agreement shall be submitted to the voters unless it has been approved by the Attorney General . . .” no such final approval by the Attorney General is required for interlocal contracts.

B. Union Municipal Districts

Union municipal districts are a form of regional governance among participating municipalities that possesses the powers of those municipalities, namely legislative, bonding, and taxing authority, all of which are important for building out and operating shared infrastructure and supporting assets.

To create a union municipal district, in brief, municipalities may enter into an agreement to form a “joint municipal survey committee” (in essence an ‘exploratory committee’), which in turn proposes a second, more formal agreement for municipalities to enter into to form a “union municipal district.” The agreement to form a union municipal district, however, must be first reviewed by the Attorney General and then approved by the voters of each participating municipality. Once formed, the district can be added to, withdrawn from, and dissolved.

[24 V.S.A. Chapter 121](#), Subchapter 2 (§§ 4831–33) and parts of Subchapters 1 (§ 4802) and 3 (§§ 4861–63) describe the creation of joint survey committees and their bridging to union municipal districts.⁴ The legislative branches of participating municipalities may, by agreement, create a preliminary committee called a “joint municipal survey committee.” See [24 V.S.A. § 4831](#). A joint municipal survey committee is empowered to research ways to increase efficiency in local services and facilities and to consult with State, municipal, and public and private agencies. See [24 V.S.A. § 4832](#). A committee may also hire persons and adopt rules, regulations, and by-laws for to effectuate these powers. See *id.* Structurally, a joint municipal survey committee shall consist of an equal number of representatives from each municipality, who do not necessarily have to be part of those legislative branches of the participating municipalities. See [24 V.S.A. § 4833](#). Once established, a joint municipal survey committee may then approve a second agreement to create a union municipal district. See [24 V.S.A. § 4861](#). The committee files a copy of the second agreement with each participating municipality’s legislative body, planning commission, and clerk. See *id.* An agreement for the creation of a union municipal district must specify its purpose, any duration, and processes entailing withdrawal and termination, officers, any created sub-entities, budgets, finances, taxes, and amendments. See [24 V.S.A. § 4862](#).

Agreements to form union municipal districts must be approved by three entities, in order: the joint municipal survey committee, then the Attorney General, and finally by voters of the participating municipalities. Upon approval by the joint municipal survey committee, the committee submits the agreement to the Attorney General for review, who has 30 days to review and raise objections, or the agreement is deemed to have been approved.⁵ See [24 V.S.A. § 4802](#). [24 V.S.A. § 4863](#) sets out the requirements for the final approval by the voters of the participating municipalities, as well as for expanding and dissolving a district. All elections in the separate municipalities must be held on the same day and voted by Australian ballot. See [24 V.S.A. § 4863\(c\)](#). If after a vote to create a district consisting of three or more municipalities a municipality votes down the proposal, the remaining municipalities may opt to form a district without the negating municipality, if still

⁴ Joint municipal survey committees can also be used to establish “a mosquito control district under 6 V.S.A. chapter 85.” [24 V.S.A. § 4931](#). There exist [two](#) mosquito control districts in Vermont.

⁵ Again, [24 V.S.A. § 4802](#) explicitly requires either direct or de facto approval by the Attorney General before the agreement can be put to vote by the municipalities (“No agreement shall be submitted to the voters unless it has been approved by the Attorney General . . .”)

practicable. See [24 V.S.A. § 4863\(c\)](#). An agreement may require ratification by a certain portion of municipalities to take effect, e.g. 4 of 5 voting municipalities. See *id.*

A district, once formed, may expand to include additional municipalities. See [24 V.S.A. § 4863\(e\)](#). This would require a vote by the new municipality as well as approval from the district's governing body. See *id.* A member municipality may withdraw from a district only 1) after a year of the district's formation, and 2) if the district has not bonded for construction and improvements. See [24 V.S.A. § 4863\(f\)](#). After a member municipality withdraws, the district's governing body must hold a special public meeting to discuss the survivability of the remaining district. The governing body must then determine that either the remaining district will persist or that the district will dissolve immediately (or as soon as each member's financial obligations are satisfied). See [24 V.S.A. § 4863\(g\)](#).

[24 V.S.A. Chapter 121](#), Subchapter 3 (specifically, §§ 4864–68) describes the organization powers and duties of union municipal districts. A district, once formed, operates much like other 'bodies politic and corporate.' It may sue and be sued and may hold and convey real and personal estate. See [24 V.S.A. § 4865](#). A district may also have employees; contract with consultants, State and federal governments, member municipalities, and sheriffs for services; "promote cooperative arrangements and coordinated action among its participating municipalities"; and "borrow money and issue evidence of indebtedness." [24 V.S.A. § 4866](#). A district may also accept, receive, and disburse any funds, grants, and services from any source.⁶ See [24 V.S.A. § 4931](#). Further, the State is empowered "to furnish and make available services, assistance, funds, property, and other incentives to any two or more municipalities participating in a union municipal district or interlocal contract so as to effectuate economy or simplification in the administration or financing thereof." [24 V.S.A. § 4932](#).

C. Examples of Union Municipal Districts

Below is an inexhaustive list of some of Vermont's union municipal districts. Note how these can be categorized by various public services, i.e. solid waste management, parks and recreation, public safety and dispatch, and planning.

- [Addison County Solid Waste Management District*](#)
- [Essex Parks & Recreation District](#)
- [Chittenden County Regional Dispatch](#)
- [Chittenden County Public Safety Authority](#)
- [Chittenden Solid Waste District*](#)
- [Greater Upper Valley Solid Waste Management District*](#)
- [Mad River Planning District \(agreement\)](#)
- [Rutland County Solid Waste District](#)
- [Southern Windsor/Windham Counties Solid Waste Management District \(District agreement; ordinance\)](#)
- [Winooski Valley Park District](#)

* These union municipal districts have also been chartered.

⁶ These funds are presumably "aid," given this statute's position in [24 V.S.A. Chapter 121](#), Subchapter 5: "Outside Aid." What qualifies as "aid" is not, however, defined or addressed by Chapter 121.

D. Beyond Union Municipal Districts: Chartered Regional Entities

There are three of union municipal districts have also been chartered: the Addison County Solid Waste Management District ([24 App. V.S.A. Chapter 703](#)); the Chittenden Solid Waste District ([24 App. V.S.A. Chapter 405](#)) and the [Greater Upper Valley Solid Waste Management District \(Ch. 407\)](#). Numerous other solid waste districts, water districts, and a transit district have opted to be chartered instead of forming a union municipal district.⁷ The principal reason for doing so is through charter, these districts are granted additional powers beyond those granted in [24 V.S.A. Chapter 121](#). For example, the ability to establish certain rates, charges, and fees; exemptions from certain regulations; or deviations in processes for entering and withdrawing from districts, for eminent domain, or incurring debt.

2. Regional Planning Commissions

Unlike union municipal districts, which create a ‘super-structure’ to provide shared government services to member municipalities in the form of infrastructure and related assets, regional planning commissions *supplement* member municipalities’⁸ ability to navigate the State’s requirements for planning and development. While this memorandum does not directly compare these two entity formations in a side-by-side manner, nor does it provide a robust analysis of the workings of regional planning in the State, what it does do is provide information to the following three questions: A) What can regional planning commissions do and not do? B) How are representatives appointed and how long are their terms? C) How accountable are commissions?

A. What Regional Planning Commissions Can Do and Not Do.

[24 V.S.A. § 4345](#) details the *optional* powers and duties of regional planning commissions. These powers namely entail, as the name suggests, planning services to be delivered to the member municipalities. These planning services take the form of ‘undertaking studies and making recommendations on land and economic development, transportation, historic and environmental preservation, and State capital investment’ (§ 4345(6)); retaining employees and consultants (§ 4345(10)); carrying out economic development programs (§ 4345(12)); ‘providing planning, training, and development services to local communities’ (§ 4345(13)); ‘assisting existing business and industry’ (§ 4345(15)). These powers can also be more substantive, like the powers to acquire real property and incur debts (§ 4345(16)); and the catchall power to “[p]erform such other acts or functions as it may deem necessary or appropriate to fulfill the duties and obligations imposed by, and the intent and purposes of, this chapter” (§ 4345(17)). These powers are wed to the regional planning commission’s duties, as set forth in [24 V.S.A. § 4345a](#), which predominately involve advising and providing direct technical assistance to member municipalities on

⁷ [Central Vermont Solid Waste Management District \(Ch. 403\)](#); [Lamoille Regional Solid Waste Management District \(Ch. 409\)](#); [Northeast Kingdom Waste Management District \(Ch. 411\)](#); [Northwest Vermont Solid Waste Management District \(Ch. 413\)](#); [Rutland County Solid Waste District \(Ch. 414\)](#); [Windham Solid Waste Management District \(Ch. 417\)](#); [Rutland County Recreational District \(Ch. 601\)](#); [Morristown Corners Water Corporation \(Ch. 701\)](#); [Champlain Water District \(Ch. 703\)](#); [Edward Farrar Utility District \(Ch. 705\)](#); [Green Mountain Transit Authority \(Ch. 801\)](#); [Central Vermont Public Safety Authority \(Ch. 901\)](#)

⁸ In the context of regional planning commissions, a “municipality” means “a town, a city, or an incorporated village or an unorganized town or gore. . . .” [24 VSA § 4303\(12\)](#).

various aspects of preparing and updating regional plans and faithfully and effectively implementing those regional plans.

Taking the powers and duties together, it is apparent that the regional planning commissions are intended to largely *facilitate* municipalities' planning and development rather than developing anything themselves, in contrast with the union municipal districts which are. Regional planning commissions do not have fundamental powers reserved for 'bodies politic⁹ and corporate' like legislative functions (although commissions may adopt bylaws to clarify its procedures, but nothing like "typical" municipal ordinance adoption powers), authority to tax or take property by eminent domain.

B. How Representatives are Appointed and Their Terms.

Representatives¹⁰ to a regional planning commission are be appointed by the legislative body of participating municipalities. See [24 V.S.A. § 4343\(a\)](#). The terms of representatives are established by the bylaws of the regional planning commission. *Id.*

C. Commission and Representative Accountability.

Representatives are foremost accountable to their home municipality. "[R]epresentatives to the commission shall serve at the pleasure of the [participating municipalities'] legislative body. The legislative body [of a participating municipality] may, by majority vote of the entire body, revoke a commission member's appointment at any time." [24 V.S.A. § 4343\(a\)](#).

There is also, to a certain extent, a 'power of the purse' held by member municipalities. Although a regional planning commission may accept funds from essentially anywhere, a member municipality may fund a commission at its discretion. See [24 V.S.A. § 4346](#).

And, finally, a member municipality may leave a regional planning commission. At least, it may "move from one regional planning commission to another regional planning commission on terms and conditions approved by the Secretary of Commerce and Community Development" ([24 V.S.A. § 4341\(c\)](#)); it is unclear if a member municipality may formally withdrawal from a commission and be unassociated.

⁹ Despite not possessing fundamental legislative powers, [24 V.S.A. § 4341](#), nevertheless states that "[f]or the purpose of a regional planning commission's carrying out its duties and functions under State law, such a designated region shall be considered a political subdivision of the State."

¹⁰ Unlike [24 V.S.A. Ch. 117](#), Subchapter 2, which addresses *municipal* planning commissions and uses the term "commissioner," Subchapter 3, which addresses regional planning commissions, uses the term "representatives."

Appendix i: List of Vermont Regional Governmental Entities

- Communications Union Districts, *see* [30 V.S.A. Chapter 82](#).
- Consolidated Water Districts*, *see* [24 V.S.A. Chapter 91](#).
- Consolidated Sewer Districts*, *see* [24 V.S.A. Chapter 105](#).
- Fire Districts*, *see* [20 V.S.A. Chapter 171](#).
- Mass Transit Authorities; Regional Transit Authorities; Regional Transit Districts, *see* [24 V.S.A. Chapter 127](#).
- School Districts*, *see* [16 V.S.A. Chapter 9](#).
- Union School Districts; Unified Union School Districts*, *see* [16 V.S.A. Chapter 11](#).
- Solid Waste Districts, *see* [24 V.S.A. Chapter 61, Subchapter 13](#); *see also* [24 V.S.A. Chapter 121](#), as formed as Union Municipal Districts.
- Regional Career Technical Center School Districts, *see* [16 V.S.A. Chapter 37, Subchapter 5A](#).
- Regional Planning Commissions (RPCs), *see* [24 V.S.A. Chapter 117, Subchapter 3](#).
- Rural Economic Development Infrastructure Districts*, *see* [24 V.S.A. Chapter 138](#).
- Union Municipal District, *see* [24 V.S.A. Chapter 121](#). See also the Joint Municipal Survey Committee.

*Note: some are considered “municipalities.”