

1 Introduced by the Committee on Government Operations and Military Affairs

2 Date:

3 Subject: Municipal and County Government

4 Statement of purpose of bill as introduced: This bill proposes to create a
5 uniform Municipal Code of Ethics. This bill will also repeal redundant
6 municipal ethics law and require municipal officers currently in office to
7 complete initial ethics training.

8 An act relating to creating a uniform Municipal Code of Ethics

9 It is hereby enacted by the General Assembly of the State of Vermont:

10 * * * Repeal of Redundant Ethics Law * * *

11 Sec. 1. REPEAL

12 24 V.S.A. § 1984 (conflict of interest prohibition) is repealed.

13 Sec. 2. 24 V.S.A. § 2291 is amended to read:

14 § 2291. ENUMERATION OF POWERS

15 For the purpose of promoting the public health, safety, welfare, and
16 convenience, a town, city, or incorporated village shall have the following
17 powers:

18 * * *

19 (20) ~~To establish a conflict of interest policy to apply to all elected and~~
20 ~~appointed officials of the town, city, or incorporated village or ethical conduct~~

1 ~~policies to apply to all elected and appointed officials and employees of the~~
2 ~~municipality, or both. [Repealed.]~~

3 * * *

4 * * * Creation of Municipal Code of Ethics * * *

5 Sec. 3. 24 V.S.A. chapter 60 is added to read:

6 CHAPTER 60. MUNICIPAL CODE OF ETHICS

7 § 1991. DEFINITIONS

8 As used in this chapter:

9 (1) “Candidate” and “candidate’s committee” have the same meanings
10 as in 17 V.S.A. § 2901.

11 (2) “Commission” means the State Ethics Commission established
12 under 3 V.S.A. chapter 31, subchapter 3.

13 (3) “Confidential information” means information that is exempt from
14 public inspection and copying under 1 V.S.A. § 315 et seq. or is otherwise
15 designated by law as confidential.

16 (4) “Conflict of interest” means a direct or indirect interest of a
17 municipal officer or such an interest, known to the officer, of a member of the
18 officer’s immediate family or household, or of a business associate, in the
19 outcome of a particular matter pending before the officer or the officer’s public
20 body, or that is in conflict with the proper discharge of the officer’s duties.

1 “Conflict of interest” does not include any interest that is not greater than that
2 of other individuals generally affected by the outcome of a matter.

3 (5) “Domestic partner” means an individual in an enduring domestic
4 relationship of a spousal nature with the municipal officer or the public
5 servant, provided the individual and municipal officer or public servant:

6 (A) have shared a residence for at least six consecutive months;

7 (B) are at least 18 years of age;

8 (C) are not married to or considered a domestic partner of another
9 individual;

10 (D) are not related by blood closer than would bar marriage under
11 State law; and

12 (E) have agreed between themselves to be responsible for each
13 other’s welfare.

14 (6) “Immediate family” means an individual’s spouse, domestic partner,
15 or civil union partner; child or foster child; sibling; parent; or such relations by
16 marriage or by civil union or domestic partnership; or an individual claimed as
17 a dependent for federal income tax purposes.

18 (7) “Legislative body” means the selectboard in the case of a town, the
19 mayor, alderpersons, and city council members in the case of a city, the
20 president and trustees in the case of an incorporated village, and the supervisor
21 in the case of an unorganized town or gore.

1 (8) “Municipal employee” means an individual who is employed by, or
2 executing the authority of, any municipality, irrespective of whether such
3 employment is temporary or permanent, part-time or full-time, or acts pursuant
4 to a contract.

5 (9) “Municipal officer” or “officer” means any individual who holds the
6 position of, or exercises the function of, any of the following positions in or on
7 behalf of any municipality:

8 (A) assessor;

9 (B) auditor;

10 (C) building inspector;

11 (D) cemetery commissioner;

12 (E) chief administrative officer;

13 (F) collector of delinquent taxes;

14 (G) first constable;

15 (H) lister;

16 (I) mayor;

17 (J) member of an advisory budget committee;

18 (K) member of a board of civil authority;

19 (L) member of the legislative body of any municipality;

20 (M) moderator;

21 (N) road commissioner;

1 (O) town or city clerk;

2 (P) town or city manager;

3 (Q) town or city treasurer; and

4 (R) supervisor of an unorganized town or gore.

5 (10) “Municipality” means a city, town, incorporated village, or group
6 of municipalities.

7 (11) “Public body” has the same meaning as in 1 V.S.A. § 310.

8 (12) “Retaliate” or “retaliation” means the discharge, suspension,
9 reprimand, demotion, denial of promotion, imposition of a performance
10 warning period, involuntary transfer or reassignment, or adverse employment
11 action.

12 § 1992. CONFLICTS OF INTEREST

13 (a) Duty to avoid conflicts of interest. In the municipal officer’s official
14 capacity, the officer shall avoid any conflict of interest or the appearance of a
15 conflict of interest. The appearance of a conflict shall be determined from the
16 perspective of a reasonable individual with knowledge of the relevant facts.

17 (b) Recusal.

18 (1) If a municipal officer is confronted with a conflict of interest or the
19 appearance of one, the officer shall immediately recuse themselves from the
20 matter, except as otherwise provided in subdivisions (3) and (4) of this
21 subsection, and not take further action on the matter or participate in any way

1 or act to influence a decision regarding the matter. The officer shall make a
2 public statement explaining the officer’s recusal.

3 (2) An officer may choose not to recuse themselves and continue to act
4 in a matter involving the officer’s conflict of interest or appearance of a
5 conflict of interest, if:

6 (A) there is good cause for the officer to proceed, any of the
7 following:

8 (i) the conflict is amorphous, intangible, or otherwise speculative;

9 (ii) the officer cannot legally or practically delegate the matter; or

10 (iii) the action to be taken by the officer is purely ministerial and
11 does not involve substantive decision-making; and

12 (B) the officer submits a written nonrecusal statement to the
13 legislative body of the town, village, or town regarding the nature of the
14 conflict that shall:

15 (i) include a description of the matter requiring action;

16 (ii) include a description of the nature of the potential conflict or
17 actual conflict of interest;

18 (iii) include an explanation of why good cause exists so that the
19 public servant can take action in the matter fairly, objectively, and in the public
20 interest;

1 (iv) be written in plain language and with sufficient detail so that
2 the matter may be understood by the public; and

3 (v) be signed by the municipal officer.

4 (3) If an official’s conflict of interest or the appearance of a conflict of
5 interest concerns an official act or actions that take place outside a public
6 meeting, the officer’s nonrecusal statement shall be filed with the clerk of the
7 town, city, or village and be available to the public for the duration of the
8 officer’s service plus a minimum of five years.

9 (4) If an official’s conflict of interest is related to an official municipal
10 act or actions considered at a public meeting, the official’s nonrecusal
11 statement shall be filed as part of the minutes of the meeting of the public body
12 in which the municipal officer serves.

13 (5) If at a meeting of a public body, an officer becomes aware of a
14 conflict of interest or the appearance of a conflict of interest for the officer, and
15 the officer wishes to not recuse themselves, the officer may proceed with the
16 matter after announcing and fully stating the conflict on the record. The
17 officer shall submit a written nonrecusal statement pursuant to subdivision (2)
18 of this subsection within 24 hours after the start of the meeting. The meeting
19 minutes shall be subsequently amended to reflect the submitted written
20 nonrecusal statement.

1 (6) An officer may request either guidance or an advisory opinion from
2 the State Ethics Commission in making an initial determination whether a
3 conflict of interest or the appearance of a conflict exists, or whether there
4 exists good cause for an officer to proceed with conflict.

5 (c) Authority to inquire about conflicts of interest. If a municipal officer is
6 a member of a public body, the other members of that body shall have the
7 authority to inquire of the officer about any possible conflict of interest or any
8 appearance of a conflict of interest and to recommend that the member recuse
9 themselves from the matter.

10 (d) Voidable legislative body action. If a member of a legislative body
11 does not disclose a known conflict of interest but nonetheless participates in a
12 vote on the matter, the vote of a body is voidable.

13 (e) Confidential information. Nothing in this section shall require a
14 municipal officer to disclose confidential information or information that is
15 otherwise privileged under law.

16 § 1993. PROHIBITED CONDUCT

17 (a) Directing unethical conduct. A municipal officer shall not direct any
18 individual to act in a manner that would:

19 (1) benefit a municipal officer in a manner related to the officer's
20 conflict of interest;

1 (2) create a conflict of interest or the appearance of a conflict of interest
2 for the officer or for the directed individual; or

3 (3) otherwise violate the Municipal Code of Ethics as described in this
4 chapter.

5 (b) Preferential treatment. A municipal officer shall act impartially and not
6 show favor or prejudice to any person in the course of conducting official
7 business. An officer shall not give, or represent an ability to give, preference
8 or special treatment to any person because of the person’s wealth, position, or
9 status or because of a person’s personal relationship with the officer, unless
10 otherwise permitted or required by State or Federal law.

11 (c) Misuse of position. A municipal officer shall not use the officer’s
12 official position for the personal or financial gain of the officer, a member of
13 the officer’s immediate family or household, or the officer’s business
14 associate.

15 (d) Misuse of information. A municipal officer shall not use nonpublic or
16 confidential information acquired during the course of official business for
17 personal or financial gain of the officer or for the personal or financial gain of
18 a member of the officer’s immediate family or household or of an officer’s
19 business associate.

20 (e) Misuse of government resources. A municipal officer shall not make
21 use of a town’s, village’s, or city’s materials, funds, property, personnel,

1 facilities, or equipment, or permit another person to do so, for any purpose
2 other than for official business unless the use is expressly permitted or required
3 by State law; ordinance; or a written agency, departmental, or institutional
4 policy or rule. An officer shall not engage in or direct another person to
5 engage in work other than the performance of official duties during working
6 hours, except as permitted or required by law or a written agency,
7 departmental, or institutional policy or rule.

8 (f) Gifts.

9 (1) No person shall offer or give to a municipal officer or candidate, or
10 the officer's or candidate's immediate family, anything of value, including a
11 gift, loan, political contribution, reward, or promise of future employment
12 based on any understanding that the vote, official action, or judgment of the
13 municipal officer or candidate would be, or had been, influenced thereby.

14 (2) A municipal officer or candidate shall not solicit or accept anything
15 of value, including a gift, loan, political contribution, reward, or promise of
16 future employment based on any understanding that the vote, official action, or
17 judgment of the municipal officer or candidate would be or had been
18 influenced thereby.

19 (3) Nothing in subdivision (1) or (2) of this subsection shall be
20 construed to apply to any campaign contribution that is lawfully made to a

1 candidate or candidate’s committee pursuant to 17 V.S.A. chapter 61 or to
2 permit any activity otherwise prohibited by 13 V.S.A. chapter 21.

3 (g) Unauthorized commitments. A municipal officer shall not make
4 unauthorized commitments or promises of any kind purporting to bind the
5 government of a town, village, or city, unless otherwise permitted by law.

6 (h) Benefit from contracts. A municipal officer shall not benefit from any
7 contract executed by the officer’s town, village, or city in the officer’s official
8 business, but not including any benefit that is not greater than that of other
9 individuals generally affected by the contract.

10 § 1994. EMPLOYMENT RESTRICTIONS

11 (a) Outside employment. A municipal officer shall not seek, accept, or
12 engage in outside employment or activities that are inconsistent, incompatible,
13 or in conflict with the municipal officer’s official duties.

14 (b) Post-government employment.

15 (1) After leaving a municipal officer position, a former municipal officer
16 shall not knowingly, with the intent to advocate for an outcome of an
17 investigation, application, ruling, license, contract, claim, rulemaking, charge,
18 arrest, or quasi-judicial or judicial proceeding, communicate with or appear
19 before the legislative body of the town, village, or city for which the officer
20 served, or before any board or commission of that town, village, or city, on
21 matters involving specific parties, in which the officer participated personally

1 and substantially while holding the position, and in which that town, village, or
2 city is a party or has a direct and substantial interest.

3 (2) For one year after leaving office, a former member of a legislative
4 body may not, for compensation, appear before the legislative body to
5 advocate for anyone other than the town, village, or city for which the officer
6 served, concerning any matter in which that town, village, or city has a direct
7 and substantial interest.

8 (c) Confidential information. No current or former municipal officer shall
9 knowingly, or with reason to know, accept employment or engage in any
10 business or professional activity that will require them to disclose confidential
11 information that they have gained in their official business.

12 § 1995. ETHICS TRAINING

13 (a) Initial ethics training. Within the first 120 days after a municipal officer
14 assumes the office, the officer shall complete two hours of ethics training. The
15 officer, the officer's employer, or another individual designated by the town,
16 village, or city shall document the officer's completed ethics training.

17 (b) Continuing ethics training. Upon completing initial ethics training, a
18 municipal officer shall complete two hours of ethics training every three years.

19 (c) Approval of training. Ethics trainings shall be approved by the State
20 Ethics Commission and be conducted by the State Ethics Commission; the

1 town, village, or city; or a third party approved in advance by the State Ethics
2 Commission.

3 (d) State Ethics Commission liaisons. Each town, village, and city, acting
4 through its legislative body, shall designate a senior-level employee as its
5 liaison to the State Ethics Commission. The town, village, or city shall notify
6 the Commission in writing of any newly designated employee within 30 days
7 after such change. The Commission shall disseminate information to the
8 designated liaisons and conduct educational seminars for designated liaisons
9 on a regular basis on a schedule to be determined by the Commission, in
10 consultation with the town, village, or city.

11 § 1996. ENFORCEMENT AND REMEDIES

12 Each town, village, or city shall:

13 (1) ensure that the Municipal Code of Ethics is posted on the town's,
14 village's, or city's website or, if no such website exists, ensure that a copy of
15 the Municipal Code of Ethics is received by all municipal officers and is made
16 available to the public upon request;

17 (2) maintain a record of municipal officers who have received ethics
18 training pursuant to section 1995 of this title;

19 (3) designate a municipal officer or body to receive complaints alleging
20 violations of the Municipal Code of Ethics;

1 (4) where appropriate or necessary, investigate complaints that allege
2 violations of the Municipal Code of Ethics;

3 (5) maintain a record of received complaints and the disposition of each
4 complaint for the duration of the municipal officer’s service plus a minimum
5 of five years; and

6 (6) upon request of the State Ethics Commission, promptly provide the
7 State Ethics Commission with a summary of complaints received by the town,
8 village, or city, and the outcome of each complaint.

9 § 1997. WHISTLEBLOWER PROTECTION

10 (a) Protected disclosure. Consistent with 3 V.S.A. §§ 971–978, any
11 municipal officer, municipal employee, or any other individual shall be free to
12 disclose, in good faith and with candor, any waste, fraud, abuse of authority,
13 violations of law, or violations of this or other applicable codes regarding
14 ethical conduct, to any relevant public body, including the municipality’s
15 legislative body and the State Ethics Commission, without fear of reprisal,
16 intimidation, or retaliation.

17 (b) Antiwhistleblower policies. A municipal officer, legislative body, or
18 public body shall not make, adopt, or enforce any policy or practice preventing
19 the disclosure of waste, fraud, abuse of authority, violations of law, or
20 violations of this or other applicable codes regarding ethical conduct.

21 (c) Civil action.

1 (1) To avail themselves of any remedies under this section, an individual
2 must have:

3 (A) at the time of discovering the violation, then disclosed in writing
4 to the relevant public body of the violation; and

5 (B) in that disclosure, clearly alleged the conduct constituting waste,
6 fraud, abuse of authority, or violations of law, or violations of this or other
7 applicable codes regarding ethical conduct.

8 (2) An individual who has been the object of retaliation in violation of
9 this section may bring a civil action against the municipality and the municipal
10 officer in the civil division of the Superior Court for relief within one year after
11 discovering the retaliation, or within three years after the retaliation, whichever
12 is earlier.

13 (3) An individual who brings a claim in the civil division of the Superior
14 Court may be awarded the following remedies:

15 (A) appropriate injunction relief;

16 (B) reinstatement of the employee to the same position, seniority, and
17 work location held prior to the retaliatory action;

18 (C) back pay, lost wages, benefits, and other remuneration;

19 (D) other compensatory damages;

20 (E) reasonable costs and attorney’s fees; and

21 (F) punitive damages not more than \$5,000.00.

1 § 1998. MUNICIPAL CHARTERS; SUPPLEMENTAL ETHICS POLICIES

2 (a) To the extent any provisions of this chapter conflict with the provisions
3 of any municipal charter listed in Title 24 Appendix, the provisions of this
4 chapter shall prevail.

5 (b) A town, city, or village, may adopt, pursuant to chapter 59 of this title,
6 additional ethics or personnel policies, provided that these are not in conflict
7 with the provisions of this chapter.

8 * * * Initial Ethics Training for In-Office Municipal Officers * * *

9 Sec. 4. INITIAL ETHICS TRAINING FOR IN-OFFICE MUNICIPAL
10 OFFICERS

11 By May 1, 2025, all municipal officers shall complete two hours of ethics
12 training, as approved by the State Ethics Commission, unless they have
13 otherwise completed two hours of ethics training pursuant to 24 V.S.A § 1995
14 (ethics training). The officer, the officer’s employer, or another individual
15 designated by the town, village, or city shall document the officer’s completed
16 ethics training.

17 * * * Effective Date * * *

18 Sec. 5. EFFECTIVE DATE

19 This act shall take effect on January 1, 2025.