

H.397 – SPOA

SBS Summary

Division of Emergency Management: Authority and Duties

Sec. 1. Amends 20 V.S.A. § 3a (Div. of Emergency Management Duties) **S**

- This section amends the duties of the Division of Emergency Management to require the Division to report annually to HGOMA and SGO concerning all actions in the all-hazards mitigation plan.

Sec. 2. Amends 20 V.S.A. § 41 (State Emergency Management Plan) **S**

- This section amends the requirements for the State Emergency Management Plan to require the Division to consult with relevant stakeholders in the preparation of the plan.
- The SGO strike-all replaced the House's specific consultation requirements with a general requirement that VEM consult with stakeholders prior to the adoption of the comprehensive State Emergency Management plan.

Sec. 3. Amends 20 V.S.A. § 48 (Community Resilience and Disaster Mitigation Grant Program) **S**

- This section amends subdivision (c)(1)(C) of § 48 to expressly authorize the Division to award grants for voluntary buyouts of flood-impacted or -prone properties.
- Currently, the Division operates and supports a voluntary buyout program. This amendment would expressly authorize the use of Grant Program awards for purposes of these voluntary buyouts.

Sec. 4. Adds 20 V.S.A. § 51 (DEM; All-Hazard and Weather Alert Systems for Municipal Corporations) **S**

- This section requires the Division, upon request of a municipal corporation, to provide assistance with access to:
 - A statewide river observation and modeling system that details flood outlooks; and
 - A statewide enhanced weather forecasting and alert system.
- The Division has access to both of these resources and is tasked with providing assistance to municipalities that seek to access the same resources.
- The House proposed to require the Division to assist municipalities with the implementation of various flood and surface water monitoring devices. The SGO amendment narrowed this requirement to assistance with access to certain resources.

Sec. 5. Adds session law concerning a needs assessment and report. **H**

- This section requires the Division to conduct a needs assessment to identify any additional staffing or resources that would be necessary to carry out the duties or authority conferred by this act.
- The Division is required to submit a written report to H.App., HGOMA, S.App., and SGO on or before November 15, 2025.

Municipal Finances and Indebtedness

Sec. 6. Adds 24 V.S.A. § 1585 (Unassigned Fund Balance). **H**

- This section authorizes municipalities to established unassigned fund balances. At the end of a fiscal year, a municipal legislative body shall have the authority to carry forward unexpended funds from the budget approved by the voters.
- The legislative body is authorized to commit the unexpended funds to an unassigned fund balance, which may be expended for any public purpose.

Sec. 7. Adds 24 V.S.A. § 1790 (Emergency Borrowing; All-hazard Event or State of Emergency). **H**

- This section authorizes the legislative body of a municipality to approve indebtedness for purposes of paying expenses or public improvements associated with an all-hazards event or declared state of emergency.
- The notes or orders authorized by the legislative body shall be for a period of not more than five years or the reasonably anticipated useful life of the improvements.

Sec. 8. Amends 24 V.S.A. § 1759 (Denominations, payments, interest; Level Debt Servicing) **S**

- This section amends the statute that governs the repayment terms for bonded municipal debt. Throughout the section, provisions are amended to authorize the legislative body of a municipality to choose level debt service for the repayment of a bonded debt.
- Level debt servicing allows the municipality to choose a static, level repayment amount for a particular bonded debt.
- The House removed this proposal in HW&M. The SGO amendment adds this language back in as it was proposed by HGOMA.

Dam Drawdown

Sec. 9. Amends 20 V.S.A. § 9 (Emergency Powers of Governor; Dam Drawdown). **S**

- This section authorizes the Governor, in consultation with the Secretary of ANR, to waive applicable permits and restrictions under the State Water Pollution Control statutes and Vermont Water Quality Standards in order to allow a dam operator to draw down dam waters.
- The waivers may only be issued in anticipation of a flood event that is likely to cause substantial damage or injury to persons or property. Prior to issuing the waivers, the Director of Emergency Management must determine that the authorization of an advance drawdown will decrease the risk of the hazard or damage.
- The Secretary is required to consult with dam operators for federally licensed sites.
- Dam operators are required to make every effort to minimize environmental impact.
- Prior to the use of a waiver and a drawdown, a dam operator must have a drawdown plan that is approved by the Secretary. The plan must meet minimum standards, including:
 - Hydrologic and hydraulic modeling of the dam and downstream channel;

- Dam owner communications with downstream communities and regulators;
 - Maximum safe reservoir drawdown rates and outflows;
 - Target drawdown elevation;
 - Refill plan;
 - Monitoring and reporting requirements; and
 - Documentation of plan updates and revisions over time.
- The SGO amendment modifies the House proposal by (1) requiring the Director of Emergency Management to make the determination of risk; (2) expressly calling out federally regulated sites; (3) expressly stating that these are advance drawdowns that happen ahead of an all-hazard event; and (4) requiring the adoption of an approved dam drawdown plan before a dam operator may act on a waiver.

Sec. 10. [Deleted]

Local Option Tax; Revenue Share

Sec. 11. Amends 24 V.S.A. § 138 (Local Option Taxes). **H**

- This section amends the revenue share provisions of Vermont's local option tax statute.
- The revenue split is changed from 70%/30% between the municipality and the PILOT (Payment in Lieu of Taxes) Fund to 75%/25%.

Secs. 12 through 15. Amend various charters to update the LOT Share. **H**

- These sections amend the charters of the City of Burlington, the City of Montpelier, the Town of Middlebury, and the Town of Williston to eliminate references to the 70/30 split and instead tie those provisions to the general law revenue share, which is increasing to 75/25 under this bill.
- By cross-referencing 24 V.S.A. 138, these charter LOTs will increase any time the general law LOT share increases.

Division of Emergency Management; Technical Corrections

Secs. 16 through 19 amend various statutes to correct the name of the Division of Emergency Management. **S**

Rulemaking; Federal Regulations Incorporated By Reference

Sec. 20. Adds 3 V.S.A. § 850 (Rules; incorporation of federal regulations) **S**

- This section adds a new section the Vermont's Administrative Procedures Act in order to preserve federal regulations incorporated by reference into Vermont State Agency rules as of January 1, 2025.
- Federal regulations that have been incorporated by reference will remain in effect as state agency rules until January 31, 2029 or the time that the State agency rule is next amended.

- Note: This section is subject to a prospective repeal in Sec. 23.

Sec. 23. Repeals 3 V.S.A. § 850 on January 31, 2025. S

Education Fund Overpayment Refunds

Sec. 21. Adds session law to refund the City of Barre \$437,028.00 and the Town of Milton \$184,451.00 for overpayments to the Education Fund resulting from insufficient retention of tax increment from the municipalities' TIF District fund. S

Sec. 22. Amends session law (2021 Acts and Resolves No. 73, Sec. 26a, amending 2020 Acts and Resolves No. 175, Sec. 29) to extend the City of Barre TIF indebtedness authority to March 31, 2028. S

Effective Dates

- Sec. 20 (rules; incorporation of federal regulations) is effective on passage. S
- Sec. 11 (local option taxes; increase in local share) is effective on October 1, 2025. S
 - This effective date allows Tax to prepare for the shift in the revenue share for the ensuing fiscal quarter.
- All other sections take effect on July 1, 2025.