

1 TO THE HONORABLE SENATE:

2 The Committee on Government Operations to which was referred House
3 Bill No. 397 entitled “An act relating to miscellaneous amendments to the
4 statutes governing emergency management and flood response” respectfully
5 reports that it has considered the same and recommends that the Senate
6 propose to the House that the bill be amended by striking out all after the
7 enacting clause and inserting in lieu thereof the following:

8 * * * Division of Emergency Management; Plans and Reports * * *

9 Sec. 1. 20 V.S.A. § 3a is amended to read:

10 § 3a. EMERGENCY MANAGEMENT DIVISION; DUTIES; BUDGET

11 (a) In addition to other duties required by law, the Division of Emergency
12 Management shall:

13 * * *

14 (3) Annually on or before the last legislative day in January, provide an
15 update and presentation to the House Committee on Government Operations
16 and Military Affairs and the Senate Committee on Government Operations
17 concerning all action items in the all-hazards mitigation plan required by
18 subdivision (1) of this subsection.

19 * * *

1 Sec. 2. 20 V.S.A. § 41 is amended to read:

2 § 41. STATE EMERGENCY MANAGEMENT PLAN

3 The ~~Department of Public Safety's Vermont~~ Division of Emergency
4 Management Division, in consultation with stakeholders, shall create, and
5 republish as needed, but not less than every five years, a comprehensive State
6 Emergency Management Plan. The Plan shall:

7 (1) detail response systems during all-hazards events, including
8 communications, coordination among State, local, private, and volunteer
9 entities, and the deployment of State and federal resources. ~~The Plan shall also;~~

10 (2) detail the State's emergency preparedness measures and goals,
11 including those for the prevention of, protection against, mitigation of, and
12 recovery from all-hazards events. ~~The Plan shall; and~~

13 (3) include templates and guidance for regional emergency management
14 and for local emergency plans that support municipalities in their respective
15 emergency management planning.

16 * * * Voluntary Buyouts and Municipal Grand List Stabilization Program * * *

17 Sec. 3. 20 V.S.A. § 48 is amended to read:

18 § 48. COMMUNITY RESILIENCE AND DISASTER MITIGATION

19 GRANT PROGRAM

20 * * *

21 (c) Administration; implementation.

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Sec. 5. 32 V.S.A. chapter 123, subchapter 4C is added to read:

Subchapter 4C. Municipal Grand List Stabilization Program

§ 3710. MUNICIPAL GRAND LIST STABILIZATION PROGRAM

(a) There is established the Municipal Grand List Stabilization Program within the Department of Taxes to reimburse municipalities for municipal property taxes assessed under chapter 133 of this title for flood-prone properties acquired by a municipality pursuant to a voluntary buyout program operated by the Division of Emergency Management.

(b) On or before September 1 of each year, the Commissioner of Public Safety shall certify to the Commissioner of Taxes the properties eligible for the Municipal Grand List Stabilization Program and shall submit any other information required by the Commissioner of Taxes. To be eligible for the Program under this subchapter, a municipality must have acquired an eligible property on or after July 1, 2023 and preserved the property as open space with a deed restriction or covenant prohibiting development of the property. The Commissioner of Public Safety shall first certify properties to the Commissioner of Taxes pursuant to this subsection on or before September 1, 2025.

(c) Upon notification by the Commissioner of Public Safety, the Commissioner of Taxes shall certify the payment amounts and make an annual

1 payment to each municipality for each eligible property to compensate for the
2 loss of municipal property tax. The payment shall be calculated using the
3 grand list value of the acquired property for the year during which the property
4 was either damaged by flooding or identified as flood-prone by the
5 Commissioner of Public Safety, multiplied by the municipal tax rate, including
6 any submunicipal tax rates, in effect each year. This payment shall be made on
7 or before January 1 of each year for five years.

8 (d) A property shall not be eligible for reimbursement payments for more
9 than 10 years. The Commissioner shall make an annual payment for the full
10 amount calculated under subsection (c) of this section for five years. After a
11 municipality has received payments for an eligible property for five
12 consecutive years, the Commissioner shall make an annual payment to the
13 municipality for any subsequent year of eligibility in an amount equal to one-
14 half of the amount calculated under subsection (c) of this section.

15 (e) Payment under this section shall be calculated and issued from the
16 PILOT Special Fund under section 3709 of this title only after all other grants
17 under subchapter 4 of this chapter are calculated and issued. If the PILOT
18 Special Fund balance is insufficient to pay the full amount of all payments
19 authorized under this subchapter, then payments calculated under this section
20 and due to each municipality for each property shall be reduced
21 proportionately.

1 **Sec. 6. PROVISIONS SUPERSEDED**

2 The provisions of Secs. 4, 5, and 24(b) of this act shall supersede and take
3 precedence over inconsistent provisions governing voluntary buyouts and the
4 Municipal Grand List Stabilization Program within the fiscal year 2026 budget
5 bill, as enacted.

6 * * * Division of Emergency Management; Assistance to Municipalities * * *

7 Sec. 7. 20 V.S.A. § 52 is added to read:

8 § 52. DIVISION OF EMERGENCY MANAGEMENT; ALL-HAZARD

9 AND WEATHER ALERT SYSTEMS FOR MUNICIPAL

10 CORPORATIONS

11 Upon request of a municipal corporation, the Division of Emergency
12 Management shall assist the municipal corporation with access to the
13 following:

14 (1) a statewide river observation and modeling system that details
15 current river level observations and models river flood outlooks; and

16 (2) a statewide enhanced weather forecasting and alert system that:

17 (A) predicts local and regional conditions using advanced modeling;

18 and

19 (B) issues real-time warnings for potentially dangerous weather
20 through multiple communication channels.

1 received by a town treasurer and may be expended for any public purpose as
2 established by the legislative body of the municipality.

3 Sec. 10. 24 V.S.A. § 1790 is added to read:

4 § 1790. EMERGENCY BORROWING; ALL-HAZARD EVENT OR STATE
5 OF EMERGENCY

6 The legislative body of a municipality may borrow money, in the name of
7 the municipal corporation, by issuance of its notes or orders for the purpose of
8 paying expenses of the municipal corporation or for public improvements
9 associated with an all-hazards event or a declared state of emergency pursuant
10 to 20 V.S.A. chapter 1. The notes or orders shall be for a period of not more
11 than five years or a term not to exceed the reasonably anticipated useful life of
12 the improvements or assets financed by the notes or orders.

13 * * * Dam Drawdown During Emergency Flood Events * * *

14 Sec. 11. 20 V.S.A. § 9 is amended to read:

15 § 9. EMERGENCY POWERS OF GOVERNOR

16 (a) Subject to the provisions of this chapter, in the event of an all-hazards
17 event in or directed upon the United States or Canada that causes or may cause
18 substantial damage or injury to persons or property within the State in any
19 manner, the Governor may declare a state of emergency within the entire State
20 or any portion or portions of the State. Thereafter, the Governor shall have and

1 may exercise for as long as the Governor determines the emergency to exist the
2 following additional powers within ~~such~~ the area or areas:

3 * * *

4 (b)(1) In consultation with the Secretary of Natural Resources or designee,
5 the Governor may authorize the Agency of Natural Resources to waive
6 applicable permits and restrictions under 10 V.S.A. chapter 47 or the Vermont
7 Water Quality Standards to allow dams within the State to draw down water
8 levels in anticipation of a flood event that is likely to cause substantial damage
9 or injury to persons or property. Waivers may only be issued if the Governor,
10 in consultation with the Secretary of Natural Resources or designee, has
11 significant reason to believe that authorizing an advance drawdown will
12 decrease the risk of substantial damage to persons or property within the State.
13 Dam operators operating under a waiver shall be required to make every effort
14 to minimize the environmental impact of a water level drawdown under the
15 authorized waiver.

16 (2) Dam owners authorized to use a waiver under this subsection (b)
17 shall be required to develop a drawdown plan that is approved by the Secretary
18 prior to implementation of a drawdown. The drawdown plan shall at minimum
19 include the following:

1 destination basis for taxation. Except with respect to taxes collected on the
2 sale of aviation jet fuel, a per-return fee of \$5.96 shall be assessed, ~~70~~ 75
3 percent of which shall be borne by the municipality, and ~~30~~ 25 percent of
4 which shall be borne by the State to be paid from the PILOT Special Fund.
5 Notwithstanding 32 V.S.A. § 603 or any other provision of law or municipal
6 charter to the contrary, revenue from the fee shall be used to compensate the
7 Department for the costs of administering and collecting the local option tax
8 and of administering the State appraisal and litigation program established in
9 32 V.S.A. § 5413. The fee shall be subject to the provisions of 32 V.S.A.
10 § 605.

11 * * *

12 (d)(1) Except as provided in subsection (c) of this section and subdivision
13 (2) of this subsection with respect to taxes collected on the sale of aviation jet
14 fuel, of the taxes collected under this section, ~~70~~ 75 percent of the taxes shall
15 be paid on a quarterly basis to the municipality in which they were collected,
16 after reduction for the costs of administration and collection under subsection
17 (c) of this section. Revenues received by a municipality may be expended for
18 municipal services only, and not for education expenditures. Any remaining
19 revenue shall be deposited into the PILOT Special Fund established by 32
20 V.S.A. § 3709.

21 * * *

1 (B) loss of use by the property owner of the primary structure on the
2 property for 60 days or more;

3 (C) loss of access by the property owner to utilities for the primary
4 structure on the property for 60 days or more; or

5 (D) condemnation of the primary structure on the property under
6 federal, State, or municipal law, as applicable.

7 (b) If a municipality demonstrates that, due to disruption to tax collections
8 resulting from flooding in an area that was declared a federal disaster between
9 July 1, 2023 and ~~October 15, 2023~~ December 31, 2024, the municipality
10 incurred unanticipated interest expenses on funds borrowed to make State
11 education property tax payments owed under 32 V.S.A. § 5402(c) and 16
12 V.S.A. § 426, the municipality may be reimbursed by an amount equal to its
13 reasonable interest expenses under this subsection, provided the amount of
14 reimbursed interest expenses shall not exceed eight percent.

15 * * *

16 * * * Municipal Charters; Local Option Tax Revenue Share * * *

17 Sec. 14. 24 App. V.S.A. chapter 3, § 102d is amended to read:

18 § 102d. LOCAL OPTION SALES TAX AUTHORITY

19 The Burlington City Council is authorized to impose a one percent sales tax
20 upon sales within the City that are subject to the State of Vermont sales tax
21 with the same exemptions as the State sales tax. The City sales tax shall be

1 effective beginning on the next tax quarter following 30 days' notice in 2006 to
2 the Department of Taxes, or shall be effective on the next tax quarter following
3 90 days' notice to the Department of Taxes if notice is given in 2007 or after.

4 Any tax imposed under the authority of this section shall be collected and
5 administered by the Vermont Department of Taxes in accordance with State
6 law governing the State sales tax. ~~Seventy percent of the~~ The taxes collected
7 shall be paid to the City, ~~and the remaining amount of the taxes collected shall~~
8 ~~be remitted to the State Treasurer for deposit in the PILOT Special Fund first~~
9 ~~established in 1997 Acts and Resolves No. 60, Sec. 89. The cost of~~
10 ~~administration and collection of this tax shall be paid 70 percent by the City~~
11 ~~and 30 percent by the State from the PILOT Special Fund pursuant to 24~~
12 V.S.A. § 138. The tax to be paid to the City, ~~less its obligation for 70 percent~~
13 ~~of the costs of administration and collection, pursuant to 24 V.S.A. § 138 shall~~
14 be paid ~~to the City~~ on a quarterly basis and may be expended by the City for
15 municipal services only and not for education expenditures.

16 Sec. 15. 24 App. V.S.A. chapter 5, § 1214 is amended to read:

17 § 1214. LOCAL OPTION TAXES

18 Local option taxes are authorized under this section for the purpose of
19 affording the City an alternative method of raising municipal revenues.

20 Accordingly:

21 * * *

1 The Selectboard is authorized to impose a one percent sales tax, a one
2 percent meals and alcoholic beverages tax, and a one percent rooms tax upon
3 sales within the Town that are subject to the State of Vermont tax on sales,
4 meals, alcoholic beverages, and rooms. The Town tax shall be implemented in
5 the event the State local options tax as provided for in 24 V.S.A. § 138 is
6 repealed or the 70-percent allocation to the town is reduced. A tax imposed
7 under the authority of this section shall be collected and administered by the
8 Vermont Department of Taxes in accordance with State law governing the
9 State tax on sales, meals, alcoholic beverages, and rooms. ~~The amount of 70~~
10 ~~percent of the taxes collected shall be paid to the Town, and the remaining~~
11 ~~amount of the taxes collected shall be remitted to the State Treasurer for~~
12 ~~deposit in the Pilot Special Fund first established in 1997 Acts and Resolves~~
13 ~~No. 60, § 89 pursuant to 24 V.S.A. § 138.~~ The cost of administration and
14 collection of this tax shall be paid ~~70 percent by the Town and 30 percent by~~
15 ~~the State from the Pilot Special Fund pursuant to 24 V.S.A. § 138.~~ The tax to
16 be paid to the Town, ~~less its obligation for the 70 percent of the costs of~~
17 ~~administration and collection, pursuant to 24 V.S.A. § 138~~ shall be paid to the
18 Town on a quarterly basis and may be expended by the Town for municipal
19 services only and not for education expenditures. The Town may repeal the
20 local option taxes by Australian ballot vote.

21 *** Division of Emergency Management; Technical Corrections ***

1 Sec. 18. 20 V.S.A. chapter 1 is amended to read:

2 CHAPTER 1. EMERGENCY MANAGEMENT

3 * * *

4 § 2. DEFINITIONS

5 As used in this chapter:

6 * * *

7 (3) “Director” means the Director of ~~Vermont~~ the Division of
8 Emergency Management of the Department of Public Safety.

9 * * *

10 § 3. VERMONT EMERGENCY MANAGEMENT ~~DIVISION~~

11 (a) There is hereby created within the Department of Public Safety a
12 ~~division to~~ the Division of Emergency Management, which may also be known
13 as the Vermont Emergency Management Division.

14 * * *

15 § 4. LANGUAGE ASSISTANCE SERVICES FOR STATE EMERGENCY

16 COMMUNICATIONS

17 (a) If an all-hazards event occurs, the ~~Vermont Emergency Management~~
18 Division shall ensure that language assistance services are available for all
19 State communications regarding the all-hazards event, including relevant press
20 conferences and emergency alerts, as soon as practicable. Language assistance
21 services shall be provided for:

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(c) Annually, the ~~Vermont Emergency Management~~ Division shall hold a public meeting with members of the Vermont Deaf, Hard of Hearing, and DeafBlind Advisory Council; the Office of Racial Equity; the Vermont Association of Broadcasters; and other relevant stakeholders to review the adequacy and efficacy of the provision and distribution of language assistance services of emergency communications over mass communication platforms to individuals who are Deaf, Hard of Hearing, and DeafBlind as well as individuals with limited English language proficiency.

* * *

Sec. 19. 20 V.S.A. § 112 is amended to read:

§ 112. ADDITIONAL PROVISIONS — ARTICLE X

* * *

(b) The ~~director~~ Director of the Vermont ~~emergency management service~~ Emergency Management shall be the authorized representative in regard to a request from a party state or by Vermont for aid that does not involve personnel or elements of the Vermont National Guard.

* * *

(d) The ~~director~~ Director of Vermont ~~emergency management~~ Emergency Management shall be responsible for handling any and all documents

1 necessary to obtain reimbursement hereunder for services rendered to a
2 requesting state, or within Vermont by another assisting state.

3 * * *

4 Sec. 20. 10 V.S.A. § 599a is amended to read:

5 § 599a. REPORTS; RULEMAKING

6 * * *

7 (c) In adopting the Strategy, the Agency shall:

8 * * *

9 (2) in consultation with other State agencies and departments, including
10 the Department of Public Safety's Division of Vermont Emergency
11 Management, assess the adaptation needs and vulnerabilities of various areas
12 vital to the State's economy, normal functioning, and the health and well-being
13 of Vermonters;

14 * * *

15 Sec. 21. 32 V.S.A. § 3102 is amended to read:

16 § 3102. CONFIDENTIALITY OF TAX RECORDS

17 * * *

18 (e) The Commissioner may, in the Commissioner's discretion and subject
19 to such conditions and requirements as the Commissioner may provide,
20 including any confidentiality requirements of the Internal Revenue Service,
21 disclose a return or return information:

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(24) To the Division of Vermont Emergency Management at the Department of Public Safety for the purposes of emergency management and communication, and to the Department of Housing and Community Development and any organization then under contract with the Department of Housing and Community Development to carry out a statewide housing needs assessment for the purpose of the statewide housing needs assessment, provided that the disclosure relates to the information collected on the landlord certificate pursuant to subsection 6069(c) of this title.

* * *

* * * Rulemaking; Federal Regulations Incorporated by Reference * * *

Sec. 22. 3 V.S.A. § 850 is added to read:

§ 850. RULES; INCORPORATION OF FEDERAL REGULATIONS

Any federal regulation incorporated by reference into a Vermont Rule as of January 1, 2025 shall continue in effect as a State rule until January 1, 2028 or when the State rule is next amended, whichever is sooner, regardless of whether the federal rule was later repealed or amended. The secretary of an agency or commissioner of a department, as applicable, shall provide notice of these incorporated regulations by posting them on the agency or department website. Nothing in this section shall prevent the secretary or commissioner

1 from adopting or amending a rule pursuant to this chapter, including
2 emergency rulemaking.

3 * * * Property Tax Overpayment Refunds; City of Barre and Town of Milton *

4 * *

5 Sec. 23. EDUCATION FUND REFUND; CITY OF BARRE TIF DISTRICT;
6 TAX INCREMENT; FY 2016–FY 2020

7 Notwithstanding any other provision of law, the sum of \$437,028.00 shall
8 be transferred from the Education Fund to the City of Barre not later than fiscal
9 year 2026 to compensate the City for overpayments of education property
10 taxes in fiscal years 2016 through 2020 due to insufficient retention of tax
11 increment from the City’s Tax Increment Financing District fund.

12 Sec. 24. EDUCATION FUND REFUND; MILTON TOWN CORE TIF
13 DISTRICT; TAX INCREMENT; FY 2017–FY 2023

14 Notwithstanding any other provision of law, the sum of \$184,451.00 shall
15 be transferred from the Education Fund to the Town of Milton not later than
16 fiscal year 2026 to compensate the Town for overpayments of education
17 property taxes in fiscal years 2017 through 2023 due to insufficient retention of
18 tax increment from the Town Core’s Tax Increment Financing District fund.

19 Sec. 25. REPEALS

20 (a) 3 V.S.A. § 850 (rules; incorporation of federal regulations) is repealed
21 on January 1, 2028.

