

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 \* \* \*

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.

\* \* \*

\* \* \*

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

1           (A) predicts local and regional conditions using advanced modeling;  
2   and  
3           (B) issues real-time warnings for potentially dangerous weather  
4   through multiple communication channels.

5                           \* \* \* Needs Assessment Report \* \* \*

6   Sec. 5. DIVISION OF EMERGENCY MANAGEMENT; STATE  
7           STAKEHOLDERS; NEEDS ASSESSMENT; REPORT

8       The Division of Emergency Management, Chief Recovery Officer, Agency  
9   of Natural Resources, and Agency of Transportation shall conduct a needs  
10   assessment to identify any additional staffing, resources, technical needs, or  
11   authority needed to carry out the provisions of this act. On or before  
12   November 15, 2025, the Division shall submit a written report to the House  
13   Committees on Appropriations and on Government Operations and Military  
14   Affairs and the Senate Committees on Appropriations and on Government  
15   Operations containing the needs assessments conducted by the State agencies  
16   and departments identified in this section.

17                           \* \* \* Municipal Finances and Indebtedness \* \* \*

18   Sec. 6. 24 V.S.A. 1585 is added to read:

19   § 1585. UNASSIGNED FUND BALANCE

20       Monies from a budget approved by the voters at an annual or special  
21   meeting that are not expended by the end of a municipality's fiscal year shall

1 be under the control and direction of the legislative body of the municipality  
2 and may be carried forward from year to year as an unassigned fund balance.  
3 Unassigned fund balances may be invested and reinvested as are other monies  
4 received by a town treasurer and may be expended for any public purpose as  
5 established by the legislative body of the municipality.

6 Sec. 7. 24 V.S.A. § 1790 is added to read:

7 § 1790. EMERGENCY BORROWING; ALL-HAZARD EVENT OR STATE  
8 OF EMERGENCY

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

16 \* \* \* Dam Drawdown During Emergency Flood Events \* \* \*

17 Sec. 8. 20 V.S.A. § 9 is amended to read:

18 § 9. EMERGENCY POWERS OF GOVERNOR

19 (a) Subject to the provisions of this chapter, in the event of an all-hazards  
20 event in or directed upon the United States or Canada that causes or may cause  
21 substantial damage or injury to persons or property within the State in any

1 manner, the Governor may declare a state of emergency within the entire State  
2 or any portion or portions of the State. Thereafter, the Governor shall have and  
3 may exercise for as long as the Governor determines the emergency to exist the  
4 following additional powers within ~~such~~ the area or areas:

5 \* \* \*

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

19 (2) Dam owners authorized to use a waiver under this subsection (b)  
20 shall be required to develop a drawdown plan that is approved by the Secretary  
21 prior to implementation of a drawdown. This subdivision (2) shall not apply to

1 dam owners that have existing plans approved by the Secretary in effect that  
2 address emergency drawdowns. The drawdown plan shall at minimum include  
3 the following:

4 (A) hydrologic and hydraulic modeling of the dam, reservoir, and  
5 downstream channel performed by an engineer experienced in dam safety  
6 engineering that proves the public safety benefit of pre-event drawdown;

7 (B) dam owner communications with downstream communities and  
8 applicable regulators prior to and during drawdown operations;

9 (C) maximum safe reservoir drawdown rates and outflows, as well as  
10 ramping rates for drawdown operations;

11 (D) target drawdown elevation in the reservoir;

12 (E) refill plan if unable to achieve during storm event;

13 (F) monitoring and reporting requirements of drawdown operations;

14 and

15 (G) documentation of plan updates and revisions over time.

16 \* \* \* Local Option Tax; Amount Paid to Municipality \* \* \*

17 Sec. 9. 24 V.S.A. § 138 is amended to read:

18 § 138. LOCAL OPTION TAXES

19 \* \* \*

20 (c)(1) Any tax imposed under the authority of this section shall be collected  
21 and administered by the Department of Taxes, in accordance with State law

1 governing such State tax or taxes and subdivision (2) of this subsection;  
2 provided, however, that a sales tax imposed under this section shall be  
3 collected on each sale that is subject to the Vermont sales tax using a  
4 destination basis for taxation. Except with respect to taxes collected on the  
5 sale of aviation jet fuel, a per-return fee of \$5.96 shall be assessed, ~~70~~ 75  
6 percent of which shall be borne by the municipality, and ~~30~~ 25 percent of  
7 which shall be borne by the State to be paid from the PILOT Special Fund.  
8 Notwithstanding 32 V.S.A. § 603 or any other provision of law or municipal  
9 charter to the contrary, revenue from the fee shall be used to compensate the  
10 Department for the costs of administering and collecting the local option tax  
11 and of administering the State appraisal and litigation program established in  
12 32 V.S.A. § 5413. The fee shall be subject to the provisions of 32 V.S.A.  
13 § 605.

14 \* \* \*

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



revenue shall be deposited into the PILOT Special Fund established by 32  
V.S.A. § 3709.

\* \* \*

\* \* \* Flooding Abatement Program \* \* \*

Sec. 10. 2024 Acts and Resolves No. 82, Sec. 1, as amended by 2024 Acts and  
Resolves No. 108, Sec. 3, is further amended to read:

Sec. 1. REIMBURSEMENT TO MUNICIPALITIES OF STATE

EDUCATION PROPERTY TAXES THAT WERE ABATED DUE  
TO FLOODING

(a)(1) The Commissioner of Taxes may approve an application by a  
municipality for reimbursement of State education property tax payments owed  
under 32 V.S.A. § 5402(c) and 16 V.S.A. § 426. To be eligible for  
reimbursement under this section, prior to November 15, ~~2024~~ 2025, a  
municipality must have abated, in proportion to the abated municipal tax,  
under 24 V.S.A. § 1535 the State education property taxes that were assessed  
on eligible property, after application of any property tax credit allowed under  
32 V.S.A. chapter 154.

(2) As used in this subsection, “eligible property” means property lost  
or destroyed due directly or indirectly to severe storms and flooding in an area  
that was declared a federal disaster between July 1, 2023 and ~~October 15, 2023~~

1 December 31, 2024, provided the loss or destruction resulted in one or more of  
2 the following:

3 (A) a 50 percent or greater loss in value to the primary structure on  
4 the property;

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

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

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

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

19 \* \* \*

20 \* \* \* Municipal Charters; Local Option Tax Revenue Share \* \* \*

21 Sec. 11. 24 App. V.S.A. chapter 3, § 102d is amended to read:

1       § 102d. LOCAL OPTION SALES TAX AUTHORITY

2           The Burlington City Council is authorized to impose a one percent sales tax  
3       upon sales within the City that are subject to the State of Vermont sales tax  
4       with the same exemptions as the State sales tax. The City sales tax shall be  
5       effective beginning on the next tax quarter following 30 days' notice in 2006 to  
6       the Department of Taxes, or shall be effective on the next tax quarter following  
7       90 days' notice to the Department of Taxes if notice is given in 2007 or after.

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

20      Sec. 12. 24 App. V.S.A. chapter 5, § 1214 is amended to read:

21      § 1214. LOCAL OPTION TAXES

\* \* \*

TAX

\* \* \*

VT LEG #383183 v.3

1 expenditures. Any remaining revenues shall be deposited in the PILOT  
2 Special Fund established by 32 V.S.A. § 3709.

3 Sec. 14. 24 App. V.S.A. chapter 171, § 18 is amended to read:

4 § 18. LOCAL OPTIONS TAX

5 The Selectboard is authorized to impose a one percent sales tax, a one  
6 percent meals and alcoholic beverages tax, and a one percent rooms tax upon  
7 sales within the Town that are subject to the State of Vermont tax on sales,  
8 meals, alcoholic beverages, and rooms. The Town tax shall be implemented in  
9 the event the State local options tax as provided for in 24 V.S.A. § 138 is  
10 repealed or the 70-percent allocation to the town is reduced. A tax imposed  
11 under the authority of this section shall be collected and administered by the  
12 Vermont Department of Taxes in accordance with State law governing the  
13 State tax on sales, meals, alcoholic beverages, and rooms. The ~~amount of 70~~  
14 ~~percent of the~~ taxes collected shall be paid to the Town, ~~and the remaining~~  
15 ~~amount of the taxes collected shall be remitted to the State Treasurer for~~  
16 ~~deposit in the Pilot Special Fund first established in 1997 Acts and Resolves~~  
17 ~~No. 60, § 89 pursuant to 24 V.S.A. § 138.~~ The cost of administration and  
18 collection of this tax shall be paid ~~70 percent by the Town and 30 percent by~~  
19 ~~the State from the Pilot Special Fund pursuant to 24 V.S.A. § 138.~~ The tax to  
20 be paid to the Town, ~~less its obligation for the 70 percent of the costs of~~  
21 ~~administration and collection,~~ pursuant to 24 V.S.A. § 138 shall be paid to the

Town on a quarterly basis and may be expended by the Town for municipal services only and not for education expenditures. The Town may repeal the local option taxes by Australian ballot vote.

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

Sec. 15. 20 V.S.A. chapter 1 is amended to read:

## CHAPTER 1. EMERGENCY MANAGEMENT

\* \* \*

### § 2. DEFINITIONS

As used in this chapter:

\* \* \*

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

\* \* \*

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

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

\* \* \*

### § 4. LANGUAGE ASSISTANCE SERVICES FOR STATE EMERGENCY COMMUNICATIONS

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

6 \* \* \*

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

15 \* \* \*

16 Sec. 16. 20 V.S.A. § 112 is amended to read:

17 § 112. ADDITIONAL PROVISIONS — ARTICLE X

18 \* \* \*

19 (b) The ~~director~~ Director of the Vermont ~~emergency management service~~  
20 Emergency Management shall be the authorized representative in regard to a

1 request from a party state or by Vermont for aid that does not involve  
2 personnel or elements of the Vermont National Guard.

3 \* \* \*

4 (d) The ~~director~~ Director of Vermont ~~emergency management~~ Emergency  
5 Management shall be responsible for handling any and all documents  
6 necessary to obtain reimbursement hereunder for services rendered to a  
7 requesting state, or within Vermont by another assisting state.

8 \* \* \*

9 Sec. 17. 10 V.S.A. § 599a is amended to read:

10 § 599a. REPORTS; RULEMAKING

11 \* \* \*

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

13 \* \* \*

14 (2) in consultation with other State agencies and departments, including  
15 the Department of Public Safety's Division of ~~Vermont~~ Emergency  
16 Management, assess the adaptation needs and vulnerabilities of various areas  
17 vital to the State's economy, normal functioning, and the health and well-being  
18 of Vermonters;

19 \* \* \*

20 Sec. 18. 32 V.S.A. § 3102 is amended to read:

21 § 3102. CONFIDENTIALITY OF TAX RECORDS



\* \* \*

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

\* \* \*

(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. 19. 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

1 whether the federal rule was later repealed or amended. The secretary of an  
2 agency or commissioner of a department, as applicable, shall provide notice of  
3 these incorporated regulations by posting them on the agency or department  
4 website. Nothing in this section shall prevent the secretary or commissioner  
5 from adopting or amending a rule pursuant to this chapter, including  
6 emergency rulemaking.

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

8 \* \*

9 Sec. 20. EDUCATION FUND REFUND; CITY OF BARRE TIF DISTRICT;

10 TAX INCREMENT; FY 2016–FY 2020

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

16 Sec. 21. EDUCATION FUND REFUND; MILTON TOWN CORE TIF

17 DISTRICT; TAX INCREMENT; FY 2017–FY 2023

18 Notwithstanding any other provision of law, the sum of \$184,451.00 shall  
19 be transferred from the Education Fund to the Town of Milton not later than  
20 fiscal year 2026 to compensate the Town for overpayments of education

property taxes in fiscal years 2017 through 2023 due to insufficient retention of  
tax increment from the Town Core's Tax Increment Financing District fund.

Sec. 22. REPEAL

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

\* \* \* Effective Dates \* \* \*

Sec. 23. EFFECTIVE DATES

(a) This section and section 19 shall take effect on passage.

(b) Notwithstanding 1 V.S.A. § 214, Sec. 10 (flooding abatement  
reimbursement program) shall take effect retroactively on November 15, 2024.

(c) All other sections shall take effect on July 1, 2025.

(Committee vote: \_\_\_\_\_)

\_\_\_\_\_

Senator \_\_\_\_\_

FOR THE COMMITTEE