

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 * * *

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

§ 41. STATE EMERGENCY MANAGEMENT PLAN

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

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

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

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

* * * Voluntary Buyouts * * *

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

§ 48. COMMUNITY RESILIENCE AND DISASTER MITIGATION

GRANT PROGRAM

* * *

1 (c) Administration; implementation.

2 (1) Grant awards. The Department of Public Safety, in coordination
3 with the Department of Environmental Conservation, shall administer the
4 Program, which shall award grants for the following:

5 * * *

6 (C) projects that implement disaster mitigation measures, adaptation,
7 or repair, including watershed restoration, voluntary buyouts for flood-
8 impacted properties, and similar activities that directly reduce risks to
9 communities, lives, public collections of historic value, and property; and

10 * * *

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

12 Sec. 4. 20 V.S.A. § 51 is added to read:

13 § 51. DIVISION OF EMERGENCY MANAGEMENT; ALL-HAZARD
14 AND WEATHER ALERT SYSTEMS FOR MUNICIPAL
15 CORPORATIONS

16 Upon request of a municipal corporation, the Division of Emergency
17 Management shall assist the municipal corporation with access to the
18 following:

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

- 1 (2) a statewide enhanced weather forecasting and alert system that:
2 (A) predicts local and regional conditions using advanced modeling;
3 and
4 (B) issues real-time warnings for potentially dangerous weather
5 through multiple communication channels.

6 * * * Needs Assessment Report * * *

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

9 The Division of Emergency Management shall conduct a needs assessment
10 to identify any additional staffing, resources, technical needs, or authority
11 needed to carry out the provisions of this act. On or before November 15,
12 2025, the Division shall submit a written report to the House Committees on
13 Appropriations and on Government Operations and Military Affairs and the
14 Senate Committees on Appropriations and on Government Operations
15 containing the needs assessments conducted by the State agencies and
16 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 Sec. 7a. 24 V.S.A. § 1759 is amended to read:

17 § 1759. DENOMINATIONS; PAYMENTS; INTEREST

18 (a)(1) Any bond issued under this subchapter shall draw interest at a rate
19 not to exceed the rate approved by the voters of the municipal corporation in
20 accordance with section 1758 of this title, or if no rate is specified in the vote
21 under that section, at a rate approved by the legislative ~~branch~~ body of the

1 municipal corporation, ~~such~~ the interest to be payable ~~semiannually~~ as
2 determined by the legislative body of the municipal corporation. ~~Such~~ The
3 bonds or bond shall be payable serially, the first payment to be deferred not
4 later than from one to five years after the issuance of the bonds and subsequent
5 principal payments or debt service payments, which include both principal and
6 interest payments, to be continued annually in ~~equal~~ substantially level or
7 ~~diminishing~~ declining amounts, as determined by the legislative body of the
8 municipality, so that the entire debt will be paid in not more than 20 years from
9 the date of issue.

10 (2) In the case of bonds issued for the purchase or development of a
11 municipal forest, the first payment may be deferred not more than 30 years
12 from the date of issuance ~~thereof of the bond. Thereafter such~~ After any
13 deferral period, the bonds or bond shall be payable annually in ~~equal~~
14 substantially level or ~~diminishing amounts~~ declining annual debt service as the
15 legislative body of the municipal corporation may determine, so that the entire
16 debt will be paid in not more than 60 years from the date of issue.

17 * * *

18 (b) General obligation bonds authorized under this subchapter for the
19 purpose of financing the improvement, construction, acquisition, repair,
20 renovation, and replacement of a municipal plant as defined in 30 V.S.A.
21 § 2901 shall be paid serially, the first payment to be deferred not later than

1 from one to five years after the issuance of the bonds, and subsequent principal
2 payments or debt service payments, which include both principal and interest
3 payments, to be continued annually in substantially level or declining amounts,
4 as determined by the legislative body of the municipal corporation, so that the
5 entire debt will be paid over a term equal to the useful life of the financed
6 improvements, but not more than 40 years from the date of issue, and may be
7 so arranged that beginning with the first year in which principal is payable, the
8 amount of principal and interest in any year shall be as nearly equal as is
9 practicable according to the denomination in which such bonds are issued,
10 notwithstanding other permissible payment schedules authorized by this
11 section.

12 * * * Dam Drawdown During Emergency Flood Events * * *

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

14 § 9. EMERGENCY POWERS OF GOVERNOR

15 (a) Subject to the provisions of this chapter, in the event of an all-hazards
16 event in or directed upon the United States or Canada that causes or may cause
17 substantial damage or injury to persons or property within the State in any
18 manner, the Governor may declare a state of emergency within the entire State
19 or any portion or portions of the State. Thereafter, the Governor shall have and
20 may exercise for as long as the Governor determines the emergency to exist the
21 following additional powers within ~~such~~ the area or areas:

* * *

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

(2) Dam owners authorized to use a waiver under this subsection shall be required to develop a drawdown plan that is approved by the Secretary prior to implementation of a drawdown. This subdivision shall not apply to dam owners that have existing plans approved by the Secretary in effect that address emergency drawdowns. The drawdown plan shall at minimum include the following:

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

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

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

8 (D) target drawdown elevation in the reservoir;

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

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

11 and

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

13 **Sec. 9. DAM SAFETY TASK FORCE; RECOMMENDATIONS**

14 **CONCERNING FEDERALLY LICENSED DAM SITES**

15 On or before November 15, 2025, the Dam Safety Task Force shall report to
16 the Senate Committee on Government Operations and the House Committee
17 on Government Operations and Military Affairs concerning any State
18 jurisdiction over federally licensed dam sites and what authority the Governor
19 may have to authorize drawdowns in anticipation of a flood event that is likely
20 to cause substantial damage or injury to persons or property. The Task Force
21 may submit recommendations for amendments to 20 V.S.A. § 9(b) (waiver of

1 permits; advance drawdown of dams) to ensure consistency in advance
2 drawdown practices for dams located within the State.

3 * * * Local Option Tax; Amount Paid to Municipality * * *

4 Sec. 10. 24 V.S.A. § 138 is amended to read:

5 § 138. LOCAL OPTION TAXES

6 * * *

7 (c)(1) Any tax imposed under the authority of this section shall be collected
8 and administered by the Department of Taxes, in accordance with State law
9 governing such State tax or taxes and subdivision (2) of this subsection;
10 provided, however, that a sales tax imposed under this section shall be
11 collected on each sale that is subject to the Vermont sales tax using a
12 destination basis for taxation. Except with respect to taxes collected on the
13 sale of aviation jet fuel, a per-return fee of \$5.96 shall be assessed, ~~70~~ 75
14 percent of which shall be borne by the municipality, and ~~30~~ 25 percent of
15 which shall be borne by the State to be paid from the PILOT Special Fund.
16 Notwithstanding 32 V.S.A. § 603 or any other provision of law or municipal
17 charter to the contrary, revenue from the fee shall be used to compensate the
18 Department for the costs of administering and collecting the local option tax
19 and of administering the State appraisal and litigation program established in
20 32 V.S.A. § 5413. The fee shall be subject to the provisions of 32 V.S.A.
21 § 605.

* * *

(d)(1) Except as provided in subsection (c) of this section and subdivision (2) of this subsection with respect to taxes collected on the sale of aviation jet fuel, of the taxes collected under this section, ~~70~~ 75 percent of the taxes shall be paid on a quarterly basis to the municipality in which they were collected, after reduction for the costs of administration and collection under subsection (c) of this section. Revenues received by a municipality may be expended for 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. 11. 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

1 municipality must have abated, in proportion to the abated municipal tax,
2 under 24 V.S.A. § 1535 the State education property taxes that were assessed
3 on eligible property, after application of any property tax credit allowed under
4 32 V.S.A. chapter 154.

5 (2) As used in this subsection, “eligible property” means property lost
6 or destroyed due directly or indirectly to severe storms and flooding in an area
7 that was declared a federal disaster between July 1, 2023 and ~~October 15, 2023~~
8 December 31, 2024, provided the loss or destruction resulted in one or more of
9 the following:

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

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

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

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

18 (b) If a municipality demonstrates that, due to disruption to tax collections
19 resulting from flooding in an area that was declared a federal disaster between
20 July 1, 2023 and ~~October 15, 2023~~ December 31, 2024, the municipality
21 incurred unanticipated interest expenses on funds borrowed to make State

1 education property tax payments owed under 32 V.S.A. § 5402(c) and 16
2 V.S.A. § 426, the municipality may be reimbursed by an amount equal to its
3 reasonable interest expenses under this subsection, provided the amount of
4 reimbursed interest expenses shall not exceed eight percent.

5 * * *

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

7 Sec. 12. 24 App. V.S.A. chapter 3, § 102d is amended to read:

8 § 102d. LOCAL OPTION SALES TAX AUTHORITY

9 The Burlington City Council is authorized to impose a one percent sales tax
10 upon sales within the City that are subject to the State of Vermont sales tax
11 with the same exemptions as the State sales tax. The City sales tax shall be
12 effective beginning on the next tax quarter following 30 days' notice in 2006 to
13 the Department of Taxes, or shall be effective on the next tax quarter following
14 90 days' notice to the Department of Taxes if notice is given in 2007 or after.

15 Any tax imposed under the authority of this section shall be collected and
16 administered by the Vermont Department of Taxes in accordance with State
17 law governing the State sales tax. ~~Seventy percent of the~~ The taxes collected
18 shall be paid to the City, ~~and the remaining amount of the taxes collected shall~~
19 ~~be remitted to the State Treasurer for deposit in the PILOT Special Fund first~~
20 ~~established in 1997 Acts and Resolves No. 60, Sec. 89. The cost of~~
21 ~~administration and collection of this tax shall be paid 70 percent by the City~~

1 ~~and 30 percent by the State from the PILOT Special Fund pursuant to 24~~
2 ~~V.S.A. § 138. The tax to be paid to the City, less its obligation for 70 percent~~
3 ~~of the costs of administration and collection, pursuant to 24 V.S.A. § 138 shall~~
4 ~~be paid to the City on a quarterly basis and may be expended by the City for~~
5 ~~municipal services only and not for education expenditures.~~

6 Sec. 13. 24 App. V.S.A. chapter 5, § 1214 is amended to read:

7 § 1214. LOCAL OPTION TAXES

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

10 Accordingly:

11 * * *

12 (3) ~~Of the taxes reported under this section, 70 percent shall be paid to~~
13 ~~the City for calendar years thereafter. Such revenues~~ The City's local option
14 tax revenue may be expended by the City for municipal services only and not
15 for educational expenditures. The remaining amount of the taxes reported
16 shall be remitted monthly to the State Treasurer for deposit in the PILOT
17 Special Fund set forth in 32 V.S.A. § 3709. Taxes due to the City under this
18 section shall be paid by the State on a quarterly basis.

1 Sec. 14. 24 App. V.S.A. chapter 127, § 1308a is amended to read:

2 § 1308a. SALES, ROOMS, MEALS, AND ALCOHOLIC BEVERAGES

3 TAX

4 * * *

5 (d) ~~Of the taxes collected under this section, 70 percent~~ The share of taxes
6 due to the Town pursuant to 24 V.S.A. § 138 shall be paid to the Town on a
7 quarterly basis ~~to the Town~~ after reduction for the costs of administration and
8 collection under subsection (c) of this section. Revenues received by the Town
9 may be expended for municipal services only and not for education
10 expenditures. Any remaining revenues shall be deposited in the PILOT
11 Special Fund established by 32 V.S.A. § 3709.

12 Sec. 15. 24 App. V.S.A. chapter 171, § 18 is amended to read:

13 § 18. LOCAL OPTIONS TAX

14 The Selectboard is authorized to impose a one percent sales tax, a one
15 percent meals and alcoholic beverages tax, and a one percent rooms tax upon
16 sales within the Town that are subject to the State of Vermont tax on sales,
17 meals, alcoholic beverages, and rooms. The Town tax shall be implemented in
18 the event the State local options tax as provided for in 24 V.S.A. § 138 is
19 repealed or the 70-percent allocation to the town is reduced. A tax imposed
20 under the authority of this section shall be collected and administered by the
21 Vermont Department of Taxes in accordance with State law governing the

1 State tax on sales, meals, alcoholic beverages, and rooms. The ~~amount of 70~~
2 ~~percent of the~~ taxes collected shall be paid to the Town, ~~and the remaining~~
3 ~~amount of the taxes collected shall be remitted to the State Treasurer for~~
4 ~~deposit in the Pilot Special Fund first established in 1997 Acts and Resolves~~
5 ~~No. 60, § 89~~ pursuant to 24 V.S.A. § 138. The cost of administration and
6 collection of this tax shall be paid 70 percent by the Town and 30 percent by
7 ~~the State from the Pilot Special Fund~~ pursuant to 24 V.S.A. § 138. The tax to
8 be paid to the Town, ~~less its obligation for the 70 percent of the costs of~~
9 ~~administration and collection,~~ pursuant to 24 V.S.A. § 138 shall be paid to the
10 Town on a quarterly basis and may be expended by the Town for municipal
11 services only and not for education expenditures. The Town may repeal the
12 local option taxes by Australian ballot vote.

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

14 Sec. 16. 20 V.S.A. chapter 1 is amended to read:

15 CHAPTER 1. EMERGENCY MANAGEMENT

16 * * *

17 § 2. DEFINITIONS

18 As used in this chapter:

19 * * *

20 (3) “Director” means the Director of ~~Vermont~~ the Division of
21 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

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

* * *

(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

1 individuals who are Deaf, Hard of Hearing, and DeafBlind as well as
2 individuals with limited English language proficiency.

3 * * *

4 Sec. 17. 20 V.S.A. § 112 is amended to read:

5 § 112. ADDITIONAL PROVISIONS — ARTICLE X

6 * * *

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

11 * * *

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

16 * * *

17 Sec. 18. 10 V.S.A. § 599a is amended to read:

18 § 599a. REPORTS; RULEMAKING

19 * * *

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

21 * * *

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

* * *

Sec. 19. 32 V.S.A. § 3102 is amended to read:

§ 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. 20. 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 31, 2029 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 from adopting or amending a rule pursuant to this chapter, including emergency rulemaking.

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

* *

Sec. 21. EDUCATION FUND REFUND; CITY OF BARRE TIF DISTRICT;
TAX INCREMENT; FY 2016–FY 2020

Notwithstanding any other provision of law, the sum of \$437,028.00 shall be transferred from the Education Fund to the City of Barre not later than fiscal

1 year 2026 to compensate the City for overpayments of education property
2 taxes in fiscal years 2016 through 2020 due to insufficient retention of tax
3 increment from the City's Tax Increment Financing District fund.

4 Sec. 22. EDUCATION FUND REFUND; MILTON TOWN CORE TIF
5 DISTRICT; TAX INCREMENT; FY 2017–FY 2023

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

11 Sec. 23. REPEAL

12 3 V.S.A. § 850 (rules; incorporation of federal regulations) is repealed on
13 January 31, 2029.

14 * * * Effective Dates * * *

15 Sec. 24. EFFECTIVE DATES

16 (a) This section and Sec. 20 (rules; incorporation of federal regulations)
17 shall take effect on passage.

18 (b) Notwithstanding 1 V.S.A. § 214, Sec. 11 (flooding abatement
19 reimbursement program) shall take effect retroactively on November 15, 2024.

20 (c) Sec. 10 (local option taxes) shall take effect on October 1, 2025.

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

1

2

3

4

5

6 (Committee vote: _____)

7

8

Senator _____

9

FOR THE COMMITTEE