



**Week 8 - February 28, 2020**

# THE VERMONT **STATEHOUSE INSIDER**

Weekly politics & analysis  
of the issues in Montpelier



## **MISSION BREAKOUT!**

A sense of urgency filled the statehouse this week as the legislature will not be in session next week and the Friday of the following week, March 13, is the crossover deadline (the deadline by which bills must be voted out of the policy committees). As a result, the committees are beginning to get down to brass tacks in finalizing their bills. Lawmakers spent long hours on the floor debating significant legislation, sometimes going well into the evening.

On Tuesday the week got off to a dramatic start when it was rumored and then confirmed that the House would try to override Governor Scott's veto of S.23, a bill to increase the state's minimum wage to \$12.55 by 2022. The Senate had

successfully voted to override S.23 the previous week. Statehouse observers speculated whether Democratic House leadership had the votes needed to override the governor's veto. After hours on the floor debating the merits and economic impacts of the legislation a roll call vote commenced and on a razor thin margin of 100-49, the House joined the Senate in voting to override the governor's veto. This was only the 11th time in Vermont history that a veto override has been successful.

On Wednesday, nearly a year after the Senate passed S.54, a bill to tax and regulate adult-use cannabis, the House approved their amended version of the bill on a vote of 90-54. One of the more contested amendments made in the House was the removal of the Senate's two-percent local option tax. As approved by the House, marijuana sales will have a 20-percent combined tax rate, including a 14-percent excise tax and a six-percent sales tax. The bill sets up a framework for an adult-use system by creating a Cannabis Control Board charged with overseeing cannabis establishments, licensing cultivators, wholesalers, product manufacturers, retailers and testing laboratories. The Cannabis Control Board is also charged with setting fee amounts and establishing testing requirements. S.54 also creates a Cannabis Regulation Fund to collect money from fees and penalties and will fund the work of the Cannabis Control Board. If the bill is enacted a cannabis business will be able to apply for a license starting January 15, 2022. The preliminary approval on Wednesday followed a lengthy floor debate and many years of work by proponents of a legal, adult-use cannabis market. On Thursday morning, before S.54 was finally approved by the full House, Governor Scott indicated that he would not support the bill in its current form because it requires law enforcement to obtain a warrant prior to conducting a roadside saliva test. As the legislature is on break next week for Town Meeting Week, it's likely that this bill will head back to the Senate the following week where a request for a Committee of Conference appears inevitable.

On Friday the House gave final approval to H.926, which makes significant changes to Act 250. In doing so the House adopted the House Ways and Means Committee's changes to the bill as originally developed by the House Natural Resources, Fish and Wildlife Committee. The House Ways and Means Committee

changes undid the reduction in the role of the regional District Environmental Commission that the Natural Resources, Fish and Wildlife Committee had proposed. The House also changed the elevation threshold for projects requiring Act 250 review from 2,000 to 2,500 feet, again, contrary to the Natural Resources, Fish and Wildlife Committee's proposal.

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## DIRECT MOTOR VEHICLE SALES

The Senate Transportation Committee took up S.241, An Act Relating to Motor Vehicle Manufacturers that Sell Directly to Consumers, on Wednesday. Here is a summary of the testimony:

- Senator Andrew Perchlik, D-Washington, offered a [scaled back draft](#) of the bill that authorizes manufacturers that make EVs only and do not have franchised dealers in Vermont but that sell direct to consumers to open a service and warranty center in Vermont, either directly or indirectly.
- Wayne Weikel, Senior Director of State Affairs of the Alliance of Automotive Innovation, testified against the bill arguing that it would set two sets of rules in state law for competitors in the same marketplace. [Here is a link to his letter](#) in opposition, along with a [list of Vermont laws](#) that Mr. Weikel claims would give direct sale manufacturers an advantage over manufacturers with franchised auto dealers.
- Mitchell Jay testified on behalf of VADA and presented the committee with a compromise proposal to study both direct motor vehicle sales from manufacturers and other entities that sell directly to consumers such as Carvana, Vroom and TrueCar. [Here is a link](#) to the study.
- Halfway through the hearing the members of VADA's board of directors, who were meeting across the street, came into the committee room. Three dealers, John DuBrul of Automaster, Jack Castellaneta of Freedom Nissan and Dan Keene of Lamoille Valley Ford, spoke to the committee about the unintended consequences of allowing a direct sale manufacturer to open a service center in Vermont.

It is unclear what the committee will do given that Sen. Perchlik and VADA have not reached a compromise at this point. The committee will likely pass the bill before the March 13 crossover deadline.

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### **TRANSPORTATION BILL**

The House Transportation Committee continued to take testimony this week on the Transportation Bill, which contains the FY21 Transportation Budget and miscellaneous transportation related provisions. They released [updated draft 3.1](#) of the bill this week. Section 8 relates to an incentive program for auto dealers and salespeople to be more educated about PEVs and provides for financial incentives for the sale of certain EVs. \$250,000 is appropriated for this purpose. The committee is considering adding [H.767](#) to the bill, which would require electric vehicle chargers sold in the state to meet the EPA ENERGY STAR qualifications for level 1 and 2 charging based on the version 1.0 ENERGY STAR requirements. VADA and other parties have been asked to find out if chargers that come with the sale of EVs meet this standard.

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### **REDUCTION OF GREENHOUSE GAS EMISSIONS IN TRANSPORTATION**

The Senate Finance Committee took additional testimony this week regarding [S.337](#), An Act Relating to Energy Efficiency Entities and Programs to Reduce Greenhouse Gas Emissions in the Thermal Energy and Transportation Sectors. John DuBrul of the Automaster testified and answered the committee's questions about maintenance and sales of electric vehicles. S.337 authorizes the use of up to \$2 million per year from existing electric efficiency funds for up to 3 years to be spent on programs, measures and services that reduce greenhouse gas emissions in the thermal energy or transportation sectors.

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## **DMV MISCELLANEOUS BILL**

The Senate Finance Committee took testimony on the DMV Miscellaneous Bill, S.339 this week. The 65-page bill contains various changes that DMV wants to make to the law ranging from a study of the release of DMV public records to the length of trucks allowed on certain roads. The committee is scheduled to vote on the bill after they return for Town Meeting break. [Here is a summary](#) of the bill.