

**Week 2 - January 17, 2020**

# THE VERMONT **STATEHOUSE INSIDER**

Weekly politics & analysis  
of the issues in Montpelier



## **THE PLEDGE**

The campaign announcements kept on rolling in week two of the 2020 legislative session. Senator Debbie Ingram, D-Chittenden, formally announced her campaign for lieutenant governor, joining Senate president Tim Ashe, D-Chittenden, in the primary race. The announcement means two of the six Senate seats from Chittenden County will be vacant. Representative Dylan Giambatista, D-Essex, a deputy leader in the House announced his candidacy for the Senate as did former Burlington Democratic representative Kesha Ram. Two vacant seats in the Chittenden County Senate District creates the possibility for a somewhat crowded field with the likely addition of Progressive and Republican Party candidates down the line.

Lieutenant Governor David Zuckerman, a progressive Democrat, formally announced his candidacy for governor on Monday. His intention to run had been leaked a week before, which set off the chain reaction of campaign

announcements for down ticket races. Zuckerman will face former secretary of education Rebecca Holcombe in the Democratic primary. The winner will likely face Governor Phil Scott, although he has yet to announce whether he will run for reelection.

The House and Senate reached an agreement in a conference committee on H.107, a bill that creates a paid family and medical leave insurance program in Vermont. Advocacy groups that have championed the initiative expressed concern that the conference bill does not provide temporary disability insurance or enough public oversight of the program. The Senate voted on Friday to approve the conference committee report and the House will vote next week. The governor has indicated he intends to veto the bill if it reaches his desk.

The second annual Tourism Day was held in the statehouse on Wednesday and representatives from the tourism sector arrived in force. Among the topics highlighted was the growing rural creative economy, which includes music, the arts, Vermont crafts and cuisine. Another discussion related to the rural economy got underway with the release of the Rural Health Service Task Force report. The report addresses a broad array of challenges facing healthcare in rural areas and one of the main focuses is rural health workforce. The report recommends creating incentives to stimulate the rural health workforce including loan repayment, tax incentives and more streamlined licensing requirements.

The bulk of legislative committees spent the week reviewing legislation that carried over from last year and going through reports and newly introduced bills. Governor Phil Scott will give his budget speech next Tuesday, January 21. Once the budget is announced the legislative session will get fully underway as legislative leaders and committees will begin the process of working through the proposal.

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## **MANUFACTURERS THAT SELL VEHICLES DIRECTLY TO CONSUMERS**

On Tuesday, the Senate Transportation Committee heard from Sen. Andy Perchlik, D-Washington, the sponsor of S.241, a bill that proposes to exempt manufacturers that sell vehicles directly to consumers from Vermont's motor vehicle franchise law and allow these manufacturers to operate service facilities in the state. Committee lawyer Anthea Dexter-Cooper said the existing franchise law

did not appear to apply to Tesla or other manufacturers that sell direct if they never had a dealer network in the state but there was some ambiguity about whether Tesla could own a service center in the state. This bill clears up that ambiguity. Anthea also pointed out that the definitions of “dealer” in Title 23 are different than in the franchise law and provided the committee with a handout comparing the definitions. Marilyn Miller of VADA didn’t formally testify but was asked about the bill. Marilyn said there are a lot of questions about how manufacturers selling direct to consumers are regulated in Vermont and recommended the committee look to Utah and other states that have addressed this issue. Another committee member asked if Tesla would be covered by the lemon law. The committee will continue to testimony at a later date.

For a copy of the handout from Anthea Dexter-Cooper [click here.](#)

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## **DMV MISCELLANEOUS BILL**

The Senate Transportation Committee heard testimony from DMV officials about this year’s [DMV Miscellaneous Bill](#). The provisions range from creating a new electronic in-transit registration permit for people purchasing a vehicle from someone other than a dealer either outside the state or inside the state to specifying the colors school buses in Vermont can be painted.

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## **ALL-FUELS ENERGY UTILITY**

The Senate Natural Resources & Energy Committee spent this week hearing from various agency officials and advocates, including Marilyn Miller of VADA, about the concept of expanding the existing electric efficiency charge to covering thermal and transportation and thereby creating an “all-fuels energy utility.” Public Utility Commission (PUC) member Margaret Cheney [reviewed](#) the PUC’s preliminary report on the subject. One of Commissioner Cheney’s conclusions was: “Programs in the thermal and transportation sectors – where the bulk of GHG emissions come from and where Vermonters spend most of their energy budget – are uncoordinated, inconsistent, and severely underfunded if we hope to achieve our goals.” (Emphasis in original.) Prior studies conclude it could cost \$30 million to \$60 million annually to properly fund efficiency programs in the thermal and

transportation sectors. Next year the PUC has been directed to recommend a source of funding. Interesting to note that the advocates refer to auto dealers as being “upstream” and as the “supply chain.” The committee will release a draft bill next week.

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## **FEEBATE REPORT**

On Wednesday the Senate Transportation Committee heard from Costa Pappis of the Agency of Transportation (AOT) concerning a report on “feebates.” Feebates involve charging a fee in connection with the purchase of low MPG vehicles to fund rebates in connection with buying high MPG vehicles. AOT hired a consultant to help them study the issue and prepare the report. Mr. Pappis pointed out that the fees/rebates would have to be adjusted at regular intervals to reflect changing sales of the various types of vehicle involved in the program in order to prevent deficits or surpluses. The committee will take additional testimony on this topic.

[Here is a link](#) to Mr. Pappis’s handout to the committee.

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## **BILLS OF INTEREST TO VADA**

[S.279](#) - This bill proposes to exempt from the sales tax electricity sold through certain electric vehicle charging stations at business or commercial establishments.

[H.698](#) - This bill proposes to create an additional purchase and use tax on new motor vehicles that exclusively run on an internal combustion engine.

[H.694](#) - This bill proposes to permit customization on specialty motor vehicle registration plates issued to Vermont veterans and members of U.S. Armed Forces.

[H.664](#) - This bill proposes to require pedestrians to wear reflective material or carry a lamp, or both, when walking along a highway without a sidewalk.

[H.657](#) - This bill proposes to increase the fuel tax and use those funds for home weatherization and to impose a fee on motor fuel sales and to use those funds for electric vehicle incentives and town highway aid.

[H.715](#) - This bill proposes to change the penalties and point assessments for violating laws governing speeding in work and school zones and penalties and point assessments for violating laws governing the use of a portable electronic device, including for texting, while operating a moving motor vehicle on a highway.

[S.303](#) - This bill proposes to increase the minimum amount of automobile liability coverage that is required in Vermont.

[H.753](#) - This bill proposes to permit law enforcement to issue a parking ticket to the registered owner of an illegally parked motor vehicle when the owner or operator is not present.

[H.749](#) - This bill proposes to modify registration fees for plug-in electric vehicles.

[H.767](#) - This bill proposes to amend Vermont's energy efficiency standards for appliances and equipment to include electric vehicle supply equipment, which is not currently covered by federal energy efficiency standards.

[H.765](#) - This bill proposes to expand the existing electric vehicle incentive program to also provide incentives for motor-assisted bicycles.