



**Week 18 - May 15, 2020**

# THE VERMONT **STATEHOUSE INSIDER**

Weekly politics & analysis  
of the issues in Montpelier



Please visit [our website](#) for our in-depth reporting on COVID-19 throughout the United States. This site is courtesy of [Leonine FOCUS](#), our 50-state legislative/regulatory, tracking and reporting service. The site is frequently updated and includes information on executive orders, legislation, regulation, tax deadlines and more from across the country.

## **WARNING SIGNS**

Governor Phil Scott continued the cautious reopening of the state this week while extending the stay at home order that was set to expire on Friday to June 15. In the legislature the House took the first key step toward addressing the budget challenges created as a result of the COVID-19 crisis and the Senate resumed

work on non-COVID-19 related bills for the first time since the pandemic hit. The governor noted on Friday that Vermont now has the lowest growth rate of COVID-19 cases in the United States.

Governor Scott announced that lodging establishments will be allowed to begin reopening with strict limitations in place starting on May 22. He also announced a limited reopening of retail establishments throughout the state effective May 18. Employees at these retail stores will be required to undergo safety training, wear masks and maintain six-foot social distancing. Stores will be required to limit the number of customers to 25 percent of the store's fire safety capacity. Patrons will not be required to wear masks, although the governor said the rate at which patrons wear masks will be monitored and he may mandate it at a later date. Although lodging establishments will be allowed to reopen on May 22, for the time being bookings will be limited to Vermont residents or out of state residents who can prove they've met the 14-day quarantine requirement.

The governor also offered a proposal this week to allow towns that have already approved school budgets to re-vote. Scott's rationale is to allow districts, the vast majority of which approved budgets on Town Meeting Day, to reconsider their 2020-2021 budgets while accounting for the COVID-19 impact. This proposal mirrors the budget process the state is undertaking in that it would require two votes – one for the first three months of the fiscal year and then another for the remainder of the fiscal year. The first vote would have to happen before July 1, 2020 and the second in the fall of 2020. Administration officials said this week the purpose was to try and help address the more than \$160 million shortfall currently facing the education fund in FY21.

The proposal met with heavy criticism from the Democratic chairs of the House and Senate Education Committees, who said they believed the idea would cause more chaos and would be harmful to districts. The proposal is one of the few points of contention that have emerged between the Republican governor and Democratically-controlled legislature since the COVID-19 crisis began. Administration officials noted that without the proposal they may need to lower education payments to districts anyway, without voter input.

In the legislative arena the second FY20 budget adjustment bill cleared a key hurdle in the House and the governor proposed an eight percent decrease from FY20 funding levels for the first three months of FY21. More on this later. The Senate started to work on non-COVID-19 related bills for the first time since the crisis began. This included passing some top priority bills that had been sitting on the Senate calendar since March, and releasing a list of committee bills that would be allowed to move forward.

With summer approaching a key benchmark in the 2020 legislative session is becoming clear. The target date of June 19 to have the budget adjustment and preliminary, three-month FY21 budget finalized sets a goal of ending at least one chaotic chapter in what is an unprecedented year.

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## **MONEY BILLS ADVANCE**

This week three major money bills - the supplemental FY20 budget adjustment bill, the miscellaneous tax bill and the capital bill - moved in the House signaling legislative leaders have agreed on a plan to begin to address Vermont's fiscal crisis resulting from the COVID-19 pandemic.

On Friday the House gave preliminary approval by a vote of 141-1 to **H.953, the supplemental FY20 budget adjustment bill**. Only two months ago the state had a projected budget surplus but then COVID-19 hit and blew a \$51.7 million hole in this fiscal year's budget that ends on June 30. The bill uses \$61.88 million from a dozen sources to fill the hole and leaves a bit of a cushion. The bill also authorizes funds to be borrowed from the \$1.25 billion Coronavirus Relief Fund (CRF), and to the extent necessary the state's reserves, to cover the estimated \$143 million in "deferred revenue" moving from FY20 to FY21 due to the extension of tax payment dates from April 15 to July 15. The deferred tax payments made this summer will pay off these interfund loans. Finally, the bill appropriates federal CRF funds including \$750,000 to extend the legislative session until June 19th as well as funding to UVM, the Vermont State Colleges and VSAC, among other items. [Here](#)

[is a link](#) to the JFO's bill highlights.

This week the House Ways and Means Committee approved the **miscellaneous tax bill, H.954**. The bill contains technical amendments to various tax laws including property, income and sales taxes, among others. Here is a [link to a summary](#) of the bill. Notably, the bill reduces revenues by up to \$1 million in FY21 due to changes in the safe harbor levels for the Use Tax, according to [JFO's fiscal note](#).

This week the House Corrections and Institutions Committee also advanced [H.955](#), **the capital construction and state bonding budget adjustment bill**, which makes investments into various capital projects around the state.

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## GREENHOUSE GAS EMISSIONS IN TRANSPORTATION

By a vote of 27-1, the Senate on Thursday gave preliminary approval to S.337, An Act Relating to Energy Efficiency Entities and Programs to Reduce Greenhouse Gas Emissions in the Thermal Energy and Transportation Sectors. The bill authorizes the use of up to \$2 million per year from existing electric efficiency funds for up to three years to be spent on programs, measures and services that reduce greenhouse gas emissions in the thermal energy or transportation sectors. Senator Randy Brock, R-Franklin, voted against the bill because he believes the bill will increase electric bills.

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## SENATE TRANSPORTATION COMMITTEE

The Senate Transportation Committee met remotely for the first time in its history this week. They discussed proposed changes to the FY20 transportation budget. They also considered three transportation-related laws that are going to sunset on July 1, 2020 if no action is taken.

- 23 V.S.A. § 1222: Inspection of Registered Vehicles – Section 1222 allows a vehicle that is used as a mail carrier vehicle under contract with the U.S. Postal Service to not fail inspection solely because when the vehicle was converted to be a right-hand drive vehicle, the right air bag in the front compartment has been disconnected or a non-factory disconnect switch has been installed to disable the airbag. The committee decided to repeal the sunset so this provision will remain law until the legislature repeals it in the future.
- 23 V.S.A. § 1607: Automated License Plate Recognition Systems - This section regulates these systems. Only the DMV uses one of these systems now, which helps them regulate trucks at truck stops. The committee decided to extend the sunset for two years from July 1, 2020 to July 1, 2022.
- 23 V.S.A. § 754: Transportation Network Companies (TNCs) – Section 754 allows municipalities to adopt ordinances to regulate TNCs (Lyft and Uber) in a manner that is different than how TNCs are regulated under state law but it was set to sunset on July 1, 2020. The committee decided to extend the sunset for two years or until July 1, 2022, to allow municipalities to continue to regulate TNCs in a way that is different from the state. Burlington is the only municipality that this section applies to, according to testimony in the committee.

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## HOUSE TRANSPORTATION COMMITTEE

The House Transportation Committee also considered the three transportation-related sunsets discussed above this week. The committee has also discussed the Transportation Bill (H.942). The Transportation Bill has been sitting on the House calendar for weeks as they moved the bill out of committee in March before the statehouse closed. They plan to offer an amendment on the House floor to reflect some COVID-19 related changes to the bill. They will take the bill up again next week.

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## 2020 CENSUS

It's census season! Data collected for the census every 10 years helps to determine how federal dollars are divided up among states. Vermont uses this money to fund crucial projects such as infrastructure construction and disaster relief. The U.S. Census Bureau had temporarily suspended home-delivery of forms due to safety concerns around the pandemic. But they have since resumed their work gathering data in Vermont, which has seen some of the lowest rates of participation in the nation. Please help Vermont receive these much needed resources by completing your census online [here](#).

It only takes a few minutes and makes all the difference for Vermont.

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