



Week 12 - April 1, 2022

# THE VERMONT **STATEHOUSE INSIDER**

Weekly politics & analysis  
of the issues in Montpelier



## Gordon Wisbach

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## APRIL FOOLS

Starting on Tuesday, the Legislature relaxed the statehouse mask requirement, making it optional in most areas of the building. This, combined with a few public tour groups visiting the building for perhaps the first time since 2020 made the statehouse start to feel reminiscent of pre-pandemic times.

Legislators are considering potential revenue sources to pay for some big ticket items that have emerged as legislative priorities over the course of the session. Universal school meals and the Vermont child tax credit are proposals being reviewed in the House and Senate respectively. Both proposals would continue programs that were federally funded throughout much of the COVID-19 pandemic, but federal support for universal school meals expires this summer and the federal child tax credit expired in December of 2021. It is estimated that continuing universal school meals would cost the state approximately \$30 million per year. The Vermont child tax credit would cost approximately \$50 million annually to provide a \$1,200 benefit for children under the age of six.

The debate in the statehouse has quickly zeroed in on whether to raise taxes in a year the state is supported by unprecedented federal funding and significant surpluses in both the General Fund and Education Fund. Funding proposals have ranged from applying taxes to sugar sweetened beverages and candy to implementing a “cloud tax,” that would tax online software and services. The latter has met with significant opposition from Vermont’s tech and broader business communities, which view the proposal as counterproductive to a sector that is growing economic development and jobs in the state. Another option on the table is to fund the programs via the Education Fund, which would have an impact on state property taxes.

It remains to be seen how the tax proposals will sugar out, and Governor Phil Scott has already signaled opposition to raising taxes. It is likely the debate will become more contentious in the coming weeks.

On Wednesday the House concurred with the Senate's amendments to H.722, the Legislature's decennial legislative redistricting bill, sending the legislation on Thursday to Governor Scott's desk, where he is expected to sign the bill.

On Friday the Senate gave final approval to S.286, the pension bill. This legislation goes a long way to address the over \$3 billion deficit in the state's public employee retirement fund. The bill heads to the House next. Because much of this work has been agreed to between the two chambers already, it's not expected to linger in the House long before heading to the Governor's desk for his signature.

Another notable development this week was the Senate's failure to override Governor Scott's veto of H.361, a bill that would amend the town of Brattleboro's charter to allow teenagers as young as 16 to vote in local elections. The House had previously voted to override the veto. The Democrats control the Senate by a 23-7 margin and the bill originally passed the Senate by a 20-9 margin. 20 votes would be needed to override the veto in the Senate so it seemed possible that the Senate could join the House in overriding the veto. However, six Democrats joined six Republicans to sustain the governor's veto and thus the override vote failed 15-12.

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## **DMV MISCELLANEOUS BILL**

This week the House Transportation Committee continued its work on [S.280](#), An act relating to miscellaneous changes to laws related to vehicles. The bill contains sections regarding new motor vehicle arbitration, the total abstinence program, overweight truck permits, nonresident titles, the purchase and use tax and towing of abandoned vehicles. The committee is considering adding [H.312](#) or [H.675](#), bills related to excessive motor vehicle noise that prohibit the operation of a motor vehicle equipped with an inadequate or modified muffler or exhaust system or with an amplification device.

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## RENTAL CARS ON DIRT ROADS

This week the House Commerce & Economic Development Committee heard from Rep. Anne Donahue, R-Northfield, the sponsor of [H.33](#), An act relating to auto rental contracts. Rep. Donahue said that she recently rented a car and read the fine print in the contract and it said the driver was not allowed to drive on a dirt road. Rep. Donahue said 55 percent of all roads in Vermont are dirt. She wants this dirt road prohibition to be in large, bold letters in the rental contract. Kevin Gaffney of the Department of Financial Regulation testified that DFR can regulate rental car insurance, but he wasn't sure if DFR had authority to regulate the rental contract. Mr. Gaffney said he would look into it and get back to the committee. Chair Rep. Mike Marcotte, R-Coventry, indicated that if DFR can regulate the rental contract and address this issue by rule then the committee would not need to act.

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## TRANSPORTATION BILL

This week the Senate Transportation Committee walked through [H.736](#), An act relating to the Transportation Program and miscellaneous changes to laws related to transportation. Here is a [Section-By-Section summary of H.736](#) as it passed the House.

