



Week 14 - April 19, 2019

THE VERMONT **STATEHOUSE INSIDER**

Weekly politics & analysis
of the issues in Montpelier



ANYWHERE BUT HERE

This week started on a somber note as many in the Vermont legislature attended the funeral of Representative Robert Forguites, who died unexpectedly last week. When lawmakers returned legislative business resumed as policy committees pushed to finalize their priority bills for the year.

This is the point in the session when questions start to percolate about which high profile bills will reach the finish line this year. Two priority bills for Democrats - paid family leave and minimum wage - have passed one chamber, but are lingering in policy committees as May approaches. Additionally, there are two other bills that seem to have run into roadblocks after easily passing their chamber of origin. A

proposal to increase the heating fuel tax by two percent to pay for weatherization passed the House, but the Senate has balked, citing concerns that the tax adversely affects those it is trying to help. In the House, a proposal to put a 24-hour waiting period on the purchase of handguns has stalled, despite passing the Senate with overwhelming support.

Another bill that is generating some rare (for 2019) public pushback from Governor Phil Scott is S.54, a bill that would authorize a legal retail market for cannabis. Scott has indicated he will only sign the bill if it includes a saliva testing provision, a goal advocates say is unattainable with current technology. The bill is pending in the House Government Operations Committee.

Supporters and opponents filled the statehouse on Wednesday evening for a public hearing on a proposal to amend the Vermont Constitution. The proposal being considered by the House Human Services Committee would protect an individual's "personal reproductive liberty," a measure meant to enshrine legal access to abortion services. About 50 people showed up to testify, with hundreds more filling the chamber to observe. The House Human Services Committee will continue taking testimony on the proposal next week.

The Senate Appropriations and Finance Committees are refining their budget and tax proposals respectively, and since the conference committee process is around the corner and adjournment is on the horizon (maybe).

TRANSPORTATION BILL

This week the Senate Transportation Committee continued to mark-up H.529, the FY20 Transportation Bill. The committee is considering making the following notable changes to the House-passed bill:

- Adding a requirement that the Agency of Transportation (AOT) study whether Vermont should adopt a "vehicle feebate" program that provides rebates to individuals who purchase or lease efficient vehicles that are

funded by fees levied on individuals who purchase or lease inefficient vehicles.

- Adding a requirement that AOT study whether Vermont should base annual vehicle registration fees on the weight of a vehicle.
- Adding S.84, the Senate-passed bill that exempts vehicles 10 model years or older from emissions testing. However, the committee is considering a change to exempt vehicles 15 model years or older thereby reducing the number of vehicles that would be exempt from annual emissions testing.
- Revising the \$1.5 million electric vehicle incentive program in the bill. As passed by the House the program could only be used for cash incentives for low income Vermonters to purchase EVs. Under the proposal being considered by the committee the program would also allow low income Vermonters to obtain vouchers up to \$2,500 to cover repairs of vehicles that fail emission testing if their vehicles are worth more than \$5,000.
- Appropriating \$50,000 to the AOT to run a statewide raffle of an electric vehicle to generate buzz about electric vehicles

The committee plans to include this [summary](#) of all the investments in the bill intended to reduce transportation-related greenhouse gas emissions at the beginning of the bill.

Here is a [link](#) to the latest version of the bill.

Chair Sen. Dick Mazza, D-Grand Isle/Colchester, said he wants the committee to vote on the bill early next week.

CANNABIS

With time winding down in the 2019 legislative session it's unclear if the bill that would create a tax and regulate system for cannabis will make it to the governor's desk. The Government Operations Committee finalized a draft today that will likely be voted out of committee on Tuesday or Wednesday of next week. However, there is still work to be done in the Judiciary Committee as well as the Ways and

Means Committee. The Judiciary Committee is working on saliva test language which Governor Scott has called necessary in order for him to sign the bill into law. Because there are significant questions about the value of a saliva test as it relates to preventing impaired driving some observers speculate that the governor does not intend to sign the bill under any circumstance. Ways and Means still needs to review the 16 percent excise tax and 2 percent local options tax established by the Senate. Despite a fair amount of concern that the bill won't make it through the House and to Governor Scott, it would be very surprising if the Democratic House majority doesn't pass a bill creating \$6 million in revenue in the first year and supported by roughly two-thirds of Vermonters.

MISCELLANEOUS TAX BILL

The Senate Finance Committee advanced H.514, the miscellaneous tax bill, by a 6-0-1 vote on Thursday. The bill makes various changes to Vermont's tax laws. This is the so-called "non-controversial tax bill" because it is full of technical changes that have little revenue impact. In fact the Joint Fiscal Office estimates the bill will generate \$133,000 in new revenue in FY20 and future years. There is another, potentially more controversial "revenue bill," H.541, that passed the House and is pending in the Senate Finance Committee. H.541 contains an estimated \$7.5 million in new revenue and includes a new tax imposed on online travel companies such as Expedia and Priceline and raises the threshold for the estate tax exemption, among other things. Here is a [side-by-side](#) summary of the House-passed version of H.514 compared to the Senate Finance Committee version. H.514 will likely be up for action on the Senate floor next week.

MISCELLANEOUS DMV BILL

On Thursday, the House Transportation Committee advanced S.149, the Miscellaneous Department of Motor Vehicle (DMV) bill, which contains various changes to DMV statutes. The provision that has attracted the most attention creates a new permit to test automated vehicles (AVs) on public highways. The bill contains mind-twisting definitions including "conventional human driver," "dynamic

driving task” and “operational design domain.” But in classic Vermont tradition, the key question that has surfaced relates to municipal control over town roads. The Vermont League of Cities and Towns wants municipalities to have the right to veto automated vehicle testing on town roads. At first, the Agency of Transportation resisted and advocated for the Traffic Committee (the Transportation Secretary, DMV Commissioner and Public Safety Commissioner) to have the sole discretion to approve AV testing on all roads. This week a compromise emerged whereby the Traffic Committee can approve AV testing on State Highways and Class 1 Town Highways. However, the Traffic Committee can only approve AV testing on Class 2, 3 & 4 Town Highways within municipalities that have pre-approved testing on roads within their boundaries. The bill is now in the House Ways and Means Committee due to changes it makes to fees charged by DMV. Here is a [link](#) to the House Transportation Committee amendments including the updated AV testing language.

BROADBAND

The Senate Finance Committee continued to take testimony on H.513, a bill intended to improve access to broadband in rural communities. H.513 contains an increase to the Universal Service Fund charge on every customer of telecommunications services in Vermont, a startup loan program for new Internet Service Providers, and more than \$900,000 to be used for feasibility studies, staff and technical assistance to new, potential Internet Service Providers. [Click here](#) to read a section-by-section of the bill. It’s not clear yet which of the proposals included in H.513 will resonate with the Senate Finance Committee but broadband expansion has been identified as a top priority for the legislative session by the governor as well as leadership in the House and Senate.

ACT 46

The first conference committee formed this session hit a wall on Thursday. The committee, comprised of three members from the House and Senate Education Committees, respectively, met a total of five times attempting to seek a

compromise between the House and Senate versions of H.39, a bill that proposes to delay the forced merger of some school districts. The House proposal would grant delays to certain districts but not to others based on which steps toward a merger these districts have taken to date. The Senate version would give districts going through a forced-merger process under Act 46 a one-year delay under certain conditions. Districts that want a delay would first be required to elect a merged board and that board would need to vote by June 30 of this year for a delay. On Tuesday, the committee appeared to be on track to reach some a compromise. The Senate agreed to the House's proposed categories to determine who would and wouldn't be eligible for a one-year delay. In exchange they asked for the addition of two districts not included in the original House proposal. The outcome seems uncertain at this time.

HEALTH INSURANCE

The Senate Finance Committee took further testimony on H.524, a multifaceted bill dealing with various health insurance issues. As introduced the bill contained a individual mandate penalty, i.e., a penalty levied for not having health insurance coverage. While the House ended up taking the penalty out, the administration felt the need to tell the Finance Committee that the governor opposed the notion of there being a penalty associated with the individual mandate. The committee also heard impassioned testimony from Vermont Legal Aid's Health Care Advocate in support of the bill's "look through" provision relative to Association Health Plans (AHPs). If enacted with the look through provision still in it H.524 would likely result in the demise of AHPs. While AHPs were effectively squelched by the enactment of the Affordable Care Act in 2010, they sprang back to life last year as a result of a change in federal rules made by the Trump Administration. There is some possibility that the debate in Vermont over AHPs is moot, because a federal court recently struck down the Trump administration's rule change, but for now the issue is still being fought hard in the statehouse, with businesses who support AHPs weighing in with the committee next week.