



Week 2 - January 14, 2022

THE VERMONT **STATEHOUSE INSIDER**

Weekly politics & analysis
of the issues in Montpelier



OPERATIONAL CHANGES

The second week of the 2022 legislative session started with big news relating to the state's pension funds. On Monday, the Pension Benefits, Design, and Funding Task Force unanimously approved recommendations to fix the state's underfunded pension system. The Task Force includes members from the legislature, the Scott Administration, labor organizations and the Office of the State Treasurer. The Task Force agreement would require the state to make a \$200 million payment toward the system's debt and use 50 percent of future

general fund surpluses to support the fund. Member contributions would also increase and benefit plans would be scaled back. The changes would not affect current retirees and beneficiaries.

There was a buzz of optimism in the legislature this week as a result of the agreement. There is still a long way to go though, as the recommendations need to make their way through the legislative process.

The pension agreement had an immediate effect on the discussion about the FY2022 Budget Adjustment Act (BAA) in the House Committee on Appropriations. It highlighted the importance of having state funds available for both the investments in the pension fund and to draw down federal matching funds that will become available as a result of the recently approved federal infrastructure bill. As a result, the House Committee on Appropriations put a lot of effort into using as many American Rescue Plan Act (ARPA) funds as possible in the FY2022 BAA in order to preserve General Fund dollars.

House policy committees spent the week scrambling to make their budget adjustment recommendations to the House Committee on Appropriations, which by Thursday evening had a rough draft of the spending plan finished. On Friday, House Appropriations worked diligently to finalize and vote the FY2022 BAA, with a goal of having the bill pass the House next week. The committee was eager to finish BAA in advance of Governor Phil Scott's FY2023 budget address, which is scheduled for Tuesday, January 18.

The House Committee on Appropriations' version of FY2022 BAA includes more new spending than is typical for a budget adjustment bill. The budget adjustment process is usually designed to true-up the current budget year, adjusting for changes to the state revenue forecast and other budget deviations that have occurred in the first six months of the fiscal year. But with the pension recommendation, and the pandemic's ongoing impact on the healthcare workforce, testing shortages, childcare, housing, education and virtually every other aspect of life, the administration and lawmakers are looking to make larger-than-usual investments through BAA.

Overall, the FY2022 BAA authorizes more than \$350 million in new spending. The House Committee on Appropriations passed the FY2022 BAA late Friday afternoon on a unanimous vote.

The state received some good news this week when state economists [informed](#) the governor and lawmakers that state revenues are expected to be \$44 million higher in the general fund in FY2022 than what was projected six months ago. This increase is largely driven by ongoing federal stimulus/recovery funding as a result of the pandemic. The economists warned that the state needs to be careful about budgeting into the future as the pandemic continues to create economic uncertainty and because the impact of federal support will recede in the coming years.

Another significant development this week was the decision in the House to return to semi-in-person legislating starting next week. The House Rules Committee approved a [resolution](#) on Thursday authorizing House floor sessions to remain remote through the remainder of January. Because the previous House resolution authorizing remote participation in all legislative action expires on January 18, the effect of the new resolution is that committees will return to the statehouse for in-person committee meetings next week. However, the resolution authorizes members who cannot attend in person due to symptomatic illness or direct COVID-19-related circumstances to participate in committee proceedings remotely. After a lengthy debate on Friday, the House adopted the proposed resolution, meaning that next week, House committees will meet in person for the first time during a regular session since March 13 of 2020.

The Senate has opted to remain fully remote.

MOTOR VEHICLE DEALER FRANCHISE LAW AMENDMENTS

This week the House Commerce and Economic Development Committee reviewed the [Department of Motor Vehicles' report](#) regarding Vermont's motor vehicle franchise law. The committee's lawyer, Anthea Dexter Cooper, walked the committee through [this summary](#) of the franchise law amendments the Alliance for Automotive Innovation and VADA submitted to DMV as part of the study. Chair Mike Marcotte, R-Coventry, said the committee will be diving into the details and hearing testimony from interested parties in the next few weeks.

DMV Commissioner Minoli testified about DMV's motor vehicle franchise report in the House Transportation Committee this week. Similar to her Senate testimony last week, Commissioner Minoli did not make any recommendations regarding the proposed amendments to the franchise law but simply brought forward the proposals that were submitted to DMV.

The Senate Transportation Committee is scheduled to take up the franchise amendments next Thursday, 1/20, and will hear from David Bright, an attorney with the Alliance for Automotive Innovation, and VADA members Mitchell Jay and Bob Cody.

ARTIFICIAL INTELLIGENCE

Yesterday the House Energy & Technology Committee approved a revised version of H.410. It requires reports by the Agency of Digital Services about the use of AI in state government and creates a commission to develop a proposed code of ethics about the use of AI by state government and to make recommendations concerning future legislation about the use of AI within state government.

The [revised bill](#) may be up for initial consideration by the full House next Tuesday.

BILLS OF INTEREST TO VADA

[H.552](#), **An act relating to transportation initiatives to reduce carbon emissions** - This bill proposes to: (1) define fuel cell electric vehicle (FCEV) and zero-emission vehicle (ZEV); (2) appropriate money for the Better Connections program, Better Places program, Incentive Program for New PEVs, MileageSmart, emissions repair vouchers, Replace Your Ride, electric bicycle incentives, and the Mobility and Transportation Innovation Grant Program; (3) establish and appropriate money for an expanded electric vehicle supply equipment grant program, a pedestrian safety pilot program, and a ZEV school bus and public transit grant program; (4) provide zero-fare public transit in fiscal year 2023; (5) require that a greater proportion of vehicles purchased for the State's fleet be ZEVs; (6) require certain employers to provide level 2 chargers; (7) require certain employers to establish a transportation demand management (TDM) plan; (8) create additional positions within the Agency of Transportation to staff matters related to transportation innovation; (9) require that complete streets principles be followed in more instances; (10) update the Act 250 criterion addressing transportation; (11) make infrastructure improvements targeted at bicycle and pedestrian safety on most State highways and class 1 and 2 town highways; (12) prohibit bicyclists from riding abreast in most instances; (13) allow municipalities to seasonally install in-street pedestrian crossing signs in crosswalks; (14) allow municipalities to lower certain speed limits on State highways; (15) express the General Assembly's intent that the Traffic Committee should not increase the speed limit on a State highway in response to a municipality's request that the speed limit be lowered; (16) require that the Agency of Transportation update prior feasibility studies on commuter rail in Vermont; (17) commission a report on the use of transit authorities in the State; (18) limit retail electricity providers to prorated Tier III renewable energy credits when a program overlaps with a State-created or -funded program; and (19) implement a self-funded feebate program based on pleasure car efficiency.

[H.570](#), **An act relating to enhancing data privacy protections for consumers (Short Form)** - This bill proposes to enhance data privacy protections for consumers.

[H.578](#), **An act relating to requirements for older drivers to renew operator's licenses** - This bill proposes to require Vermonters 75 years of age or older to appear in person and pass both a vision test and road test in order to renew an operator's license.

[H.593](#), **An act relating to new motor vehicle arbitration** - This bill proposes to amend the reasonable allowance for use that is applicable when the manufacturer is required to accept return of a motor vehicle that is unable to be conformed to any express warranty under Vermont's New Motor Vehicle Arbitration, 9 V.S.A. chapter 115, also known as Vermont's Lemon Law, to be either: (1) the full purchase price of the motor vehicle multiplied by a fraction that is calculated by dividing the number of miles that the motor vehicle traveled prior to the first attempt at repairing the motor vehicle by 300,000 for a zero- emission vehicle (ZEV), including a plug-in electric vehicle (PEV) as defined in 23 V.S.A. § 4(85); or (2) the full purchase price of the motor vehicle multiplied by a fraction that is calculated by dividing the number of miles that the motor vehicle traveled prior to the first attempt at repairing the motor vehicle by 200,000 for a motor vehicle that is not a ZEV.

[H.635](#), **An act relating to secondary enforcement of minor traffic offenses** - This bill proposes to designate certain motor vehicle and pedestrian traffic violations as violations that may only be enforced if a law enforcement officer has detained the operator of a vehicle or pedestrian for another suspected traffic violation.

[H.642](#), **An act relating to utility-terrain vehicles** - This bill proposes to define utility- terrain vehicle (UTV) separate from all-terrain vehicle (ATV) in statute and to allow UTVs with a sufficiently large engine to be

operated on all State, State forest, and town highways when other motor vehicles are permitted, provided that the UTV has been modified to include or includes as manufactured certain safety features such as a full-length, hard-coated windshield; windshield wipers and washer system; rearview mirror or mirrors; headlights; tail lights; brake lights; turn signals; an illuminated license plate holder; approved tires; seatbelts; and a horn.

[H.646](#), An act relating to joining the Transportation and Climate

Initiative - This bill proposes to direct the Governor to join the Transportation and Climate Initiative of the Northeast and Mid-Atlantic States' cap-and-invest program. It directs State agencies to adopt rules to administer the cap-and-invest program and how the program's revenues can be spent.

[H.647](#), An act relating to funds collected from cap-and-invest

programs - This bill proposes to create a special fund to administer funds from a cap-and-invest program and creates the Equity Advisory Body to allocate the program's revenues to greenhouse gas reduction projects.

[H.649](#), An act relating to motor vehicle inspections - This bill proposes to make the annual motor vehicle safety and emissions inspections biennial and form a study committee to investigate the effect motor vehicle inspections have on Vermonters with low income, Vermonters who live in rural parts of the State, and Vermonters who are elders.

[H.650](#), An act relating to prohibiting perfluoroalkyl and polyfluoroalkyl substances in products to be sold in Vermont and the use and import of wastes containing microplastics - This bill

proposes to prohibit the intentional use of perfluoroalkyl and polyfluoroalkyl substances in products to be sold in Vermont. This bill also proposes to prohibit the use and import of wastes that contain

microplastics.

[S.225](#), **An act relating to the Vermont Climate Corps** - This bill proposes to create the Vermont Climate Corps to implement a work program that would provide employment doing climate resilience and adaptation work.

[S.231](#), **An act relating to excessive motor vehicle noise** - This bill proposes to prohibit the operation of a motor vehicle that was manufactured with an exhaust system from being operated when equipped with an inadequate or modified muffler or exhaust system or with an amplification device.