



Week 3 - January 22, 2021

THE VERMONT **STATEHOUSE INSIDER**

Weekly politics & analysis
of the issues in Montpelier



TURNING THE PAGE

On Tuesday, Vermont became the last state to reach a grim milestone, recording its 10,000th case of COVID-19. Department of Financial Regulation Commissioner Mike Pieciak noted in a press conference that while some recent projections have indicated Vermont reaching up to 300 cases per day by mid-February, it now appears the numbers will be lower. Although there were hints of optimism in Commissioner Pieciak's update, state officials were reluctant to offer further insight into when Vermont might expect to ease restrictions on multi-household gatherings.

On Tuesday afternoon the governor's office announced that Governor Phil Scott,

Commissioner of Health Mark Levine, M.D. and other administration officials had potentially come in contact with an individual who had tested positive for COVID-19. As a result, the governor and other administration officials with potential exposure are in quarantine. A preliminary round of tests all came back negative and those in quarantine will be tested again on Tuesday, January 26, the same day Governor Scott is scheduled to deliver his budget address to a joint assembly of the legislature. The budget address will be delivered remotely.

On Friday it was announced that the state will begin administering COVID-19 vaccines to Vermonters age 75 and above. A website and call center have been set up to coordinate appointments and will go live on Monday.

This week also marked a momentous occasion In Washington, DC with the swearing in of Joe Biden as President and Kamala Harris as the nation's first female, first Black and first Asian-American Vice President. Hours after being sworn in President Biden signed 17 Executive Orders, many of which repeal actions taken by the Trump administration. On his second day in office, President Biden invoked the Defense Production Act to boost production of vaccines, testing and personal protective equipment.

With Democrats now in control of the U.S Senate, Senators Patrick Leahy and Bernie Sanders wield an extraordinary amount of power. Senator Sanders will chair the powerful Budget Committee, while Senator Leahy will chair the Senate Appropriations Committee and serve as the Senate President Pro Tempore.

STATE REVENUE FORECAST "RADICALLY UPGRADED"

On Tuesday, the five member Emergency Board, made up of the governor and the four legislative "money committee" chairs, met and approved an updated consensus revenue forecast for the state's major funds. The new forecast is based on the joint recommendation of the administration's economist, Jeff Carr, and the legislature's economist, Tom Kavet. Carr and Kavet proposed the revenue estimates for the current fiscal year (FY21) and next fiscal year (FY22) for the

General Fund, Transportation Fund and Education Fund be “radically upgraded” from the August 2020 forecast. For example, for FY22 alone, the E-Board approved a \$150.5 million upgrade in the General Fund, a \$9.4 upgrade in the Transportation Fund and a \$70.2 million upgrade in the Education Fund. Carr and Kavet attributed much of this new revenue to the \$7 billion in federal stimulus Vermont has already received and the \$3 billion more likely to come. Both economists warned that Vermont’s economy is being driven by “the epidemiological path of the pandemic and the colossal federal fiscal and monetary policy responses to it,” and there is a lot of uncertainty about how Vermont’s economy will fare when it has to “fend for itself” once the federal stimulus spigot is shut off. [Here is a copy](#) of Kavet’s full analysis.

TOWN MEETING BILL ENACTED

This week Governor Scott signed [H.48](#), An act relating to authorizing alternative procedures for 2021 annual municipal meetings in response to COVID-19. H.48 authorizes municipalities to move the dates of their municipal meetings and send Australian ballots to all registered voters for items to be voted on during municipal meetings, among other things. The governor urged municipalities take advantage of the flexibility the law provides to conduct local elections by mail noting it will keep people safe, “ensuring Vermonters don’t need to choose between their right to vote and risking attending a town meeting gathering during a pandemic.”

ACT 250

As reported in last week’s Statehouse Insider Governor Scott recently issued an Executive Order that transforms the Act 250 process by having major development projects reviewed by the Natural Resources Board. This approach is in contrast with the existing process of having all proposed projects reviewed by the District Environmental Commission for the region where the project is being proposed.

Under existing statute either chamber of the Legislature can block the implementation of the Executive Order that reorganizes Executive Branch agencies by passing a resolution disapproving it (although there is some question as to whether the ability of just one chamber to block an Executive Order conforms to the Vermont constitution). On Thursday the Senate Natural Resources and Energy Committee and the House Natural Resources, Fish and Wildlife committees met jointly and took testimony from administration officials, current District Commissioners and interested citizens concerning the Governor's plan. There was a fair amount of opposition to the reorganization from some of the witnesses, who feel that the District Environmental Commissions are more accessible and user friendly than a single reconfigured Natural Resources Board is likely to be. No decisions were made by either committee. Instead, they will continue to take testimony and reach a decision about whether to intervene at a later date.

ALTERNATIVES TO THE FUEL TAX

On Wednesday, legislative lawyer Anthea Dexter-Cooper testified before the House Ways and Means Committee presenting an overview of "Alternatives to the Fuel Tax for Personal Vehicles." Alternatives include registration fees, vehicle miles traveled, per-kilowatt hour fees or a combination of these, according to Dexter-Cooper. Dexter-Cooper also reviewed other state [alternative fuel taxes](#) as well as a summary of all the studies over the years done in Vermont on this subject.

The House Ways and Means Committee also heard from Chris Rupe, the new transportation analyst at the Joint Fiscal Office, who provided an overview of state and federal transportation taxes, including the gas tax and the purchase and use tax. Rupe concluded that as gas consumption has declined over time so has gas tax revenue, and that purchase and use tax and DMV fees have been providing a steadily increasing amount of revenue in the Transportation Fund. Here is a [link](#) to his presentation.

REPORT OF THE VERMONT TAX STRUCTURE COMMISSION

A recent [draft report](#) of the Vermont Tax Structure Commission proposes sweeping changes to Vermont's tax structure including some that affect auto dealers. For example, the report recommends expanding Vermont's sales tax to include all services except health care. The report also looks at climate change and Vermont's tax structure. The final report will be issued shortly and we will provide a more detailed dealer-specific analysis at that time.

DMV UPDATE

Department of Motor Vehicle Commissioner Wanda Minoli and many of her staff members introduced themselves and provided an overview of DMV to the House and Senate Transportation Committees this week. Here is a [link](#) to DMV's presentation.

ACT 62 FINAL REPORT

On Friday morning, the Senate Natural Resources and Energy Committee received a [presentation](#) from Public Utility Commission (PUC) member Margaret Cheney and PUC Policy Director Thomas Knauer about the PUC's Act 62 Final Report. As reported last week, the report recommends that Vermont join the Transportation Climate Initiative, impose a new efficiency charge on fuel oil, propane and kerosene and gradually raise the existing fuel tax on heating oil, propane, kerosene and dyed diesel fuel.

BILLS OF INTEREST TO VADA

H.94 - An act relating to transportation initiatives to reduce carbon emissions

This bill proposes to:

1. Appropriate money for the New PEV Incentive Program, MileageSmart, the Downtown and Employer Level 2 Charging Stations Grant Programs, fare-free public transit, and the Mobility and Transportation Innovation Grant Program;
2. Establish and appropriate money for expansions of the New PEV Incentive Program to also include the Replace Your Ride Program and incentives for motor-assisted bicycles;
3. Require that new buses be plug-in electric vehicles;
4. Require certain employers to provide level 2 chargers;
5. Require certain employers to establish a transportation demand management plan;
6. Update what is required under the Residential Building Standards with respect to electric vehicle supply equipment;
7. Require that complete streets principles be followed in more instances;
8. Update the Act 250 criterion addressing transportation;
9. Require improvements to high-use corridor segments identified in the On-Road Bicycle Plan;
10. Require updates on the installation of roundabouts in the annual Transportation Program; and
11. Commission a report on the use of transit authorities in the State.

H.100 - An act relating to electric bicycles

This bill proposes to define and regulate three classes of electric bicycles.

H.109 - An act relating to parking ticket enforcement

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.

S.40 - An act relating to the use of colored signal lamps on fire department and emergency medical service vehicles

This bill proposes to authorize the Commissioner of Motor Vehicles to issue a permit for the use of one blue signal lamp on a fire department or EMS vehicle, provided the signal lamp is mounted so as to be visible primarily from the rear of the vehicle and only used when the vehicle is parked.

S.44 - An act relating to a Vermont Green New Deal

This bill proposes to create a Vermont Green New Deal to invest in actions that curb climate change. The Vermont Climate Council would implement and oversee the Vermont Green New Deal to fund energy conservation programs, prioritizing weatherization, renewable energy, regenerative agriculture, and the use of electric vehicles. This bill would also create a new income tax surcharge on high incomes that would be deposited into a Vermont Green New Deal Fund to be administered by the state treasurer.