

**Week 4 - February 1, 2019**

# THE VERMONT **STATEHOUSE INSIDER**

Weekly politics & analysis  
of the issues in Montpelier



## **MERGING LANE**

Week four was defined by a fast tax and slow political wrangling over Act 46 forced school district mergers.

The House Ways and Means Committee approved a 92 percent wholesale tax on e-cigarettes on Tuesday with minimal deliberation. Emboldened by Governor Phil Scott's support of the tax the House approved the proposal on Friday.

Meanwhile the debate over whether or not to delay the forced mergers of small school districts under Act 46 boiled over with a proposed amendment to the annual budget adjustment bill that would have brought the issue to the floor. The forced mergers have generated massive controversy throughout the state. Party leaders grappled with maintaining caucus control and a decision was reached to bring the issue to the floor in the form of [H.39](#), which was introduced by Representative Heidi Scheuermann (R-Stowe). The House Education Committee had a rollercoaster week hearing from witnesses and deliberating how to resolve the question of whether to delay forced mergers. More on this later.

The House Education Committee was also busy with a bill that would make curriculums in Vermont Schools more inclusive. H.3 creates a working group that includes representatives of ethnic and social groups, educators and government officials. The group is tasked with reviewing school curriculums and ensuring they are updated to incorporate the historical and cultural contributions and perspectives of ethnic and social groups.

Earlier in the week the Democratic Party hosted a fundraiser honoring Representative Jill Krowinski, (D-Burlington) for her work during the 2018 election which is widely credited for helping the party achieve a super majority in the House. In order to get a bill to become a law or for success in a political campaign, a good shepherd is absolutely necessary but often difficult to find. Based on the speeches at the event, the Democratic Party believes they've found an excellent one for the present and the future.

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#### **BILLS OF INTEREST TO VADA**

[H.112](#): This bill proposes to authorize the Commissioner of Motor Vehicles to issue permits for the use of blue, amber, red, and purple signal lamps on law enforcement, fire department, EMS, and funeral procession lead vehicles, provided the signal lamp is mounted so as to be visible primarily from the rear of the vehicle.

[H.123](#): This bill proposes to establish additional consumer rights in connection with the sale of vehicles subject to an inspection requirement.

[S.66](#): This bill proposes to prohibit the construction of fossil fuel infrastructure in Vermont, except for infrastructure certified by the Federal Energy Regulatory Commission.

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#### **MISCELLANEOUS TAX BILL**

The governor unveiled his proposed [miscellaneous tax bill](#) in the House Ways and Means Committee. The bill includes various changes to Vermont's tax statutes. Many of the proposals are non-controversial and passed the House and Senate last year but died when the governor vetoed the tax and budget bills last spring. However, there are also many new provisions including repealing the land gains tax.

A summary of most of the proposals in the bill can be found [here](#).

## MISCELLANEOUS FEE BILL

After holding the line on fee increases during his first term as Governor, the miscellaneous fee bill pending in the House Ways and Means Committee is the first bill of its kind from Governor Scott. The draft bill proposes a total \$8.71 million in increased fees including:

- \$6.9 million in fee increases for the Departments of Financial Regulation, Fish and Wildlife, Public Service and Agriculture
- \$1.7 million in fee increases for the Secretary of State's Office

Here is a [link](#) to the spreadsheet outlining all proposed fee increases.

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## BROADBAND

Both Governor Scott and the legislature have identified broadband expansion as a top priority for the 2019 legislative session. In his budget address last week, the governor announced he would be presenting a package of proposals designed to increase the deployment of broadband infrastructure. These proposals include committing an additional \$1 million to the state's Connectivity Initiative, which awards grants to internet service providers that agree to extend service to "unserved" and "underserved" areas. An additional \$540,000 would be used for a new [loan program](#) for "startup" broadband providers. Finally, the administration is proposing to enable enabling towns to issue general obligation bonds to finance telecommunications infrastructure. Click [here](#) to view a summary of all of the governor's broadband proposals.

In addition to the governor's package, a number of bills have been introduced that attempt to address broadband buildout:

- [H. 84](#): Currently wireless telecom providers can use either Act 250 or a Public Utilities Commission process known as "section 248a" to obtain permits for siting wireless telecom facilities. However, the 248a process is slated to "sunset" in July 2020. H.84 would remove the "sunset" on 248a and make it the exclusive process for permitting wireless telecom facilities. It also broadens the scope of projects that qualify for expedited permitting as de minimis modifications to existing facilities and shortens the review period for some types of projects.
- [H.92](#): This bill it removes the sunset from section 248a but ties a telecom provider's ability to obtain a 248a permit to having a "certificate of net neutrality" from the Agency of Administration. If a provider does not have such a certificate it would have to go through the Act 250 and local zoning process.
- [H.93](#): This bill requires the Public Utility Commission to amend its existing rules governing the attachment of telecom infrastructure, such as broadband cables and small cell antennas, to utility poles. The PUC is directed to amend its rule in ways that expedite the expansion of broadband service throughout the state.
- [H.94](#): This bill increases the Universal Service Charge from 2.0% to 2.5% for four years. Of the approximately \$1.6 million that would be raised \$1 million would be used to fund feasibility studies and technical assistance for municipalities interested in developing a

communications union district. The remaining money would be used for Connectivity Initiative grants.

- [H.95](#): This bill requires the Commissioner of Public Service to study the feasibility of electric companies providing broadband internet access service using electric distribution and transmission infrastructure.
- [H.96](#): This bill requires telecom providers seeking a permit from the Public Utilities Commission under section 248a to site a wireless telecom facility to demonstrate that the proposed facility will provide specified download and upload speeds. It also proposes to extend the current July 2020 sunset of section 248a to July 1, 2022.
- [H.145](#): This bill proposes requires retail sellers of prepaid wireless telecommunications service to collect the universal service charge at the point of sale.

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#### **ACT 46**

This week, House Speaker Representative Mitzi Johnson (D-Grand Isle) committed to bring a one-year merger-delay bill to floor of the House next week. Based on this commitment, the House Education Committee took up H.39, a bill sponsored by Representative Heidi Scheuermann (R-Stowe) which would create a one-year delay in implementation of Act 46. Education Secretary Dan French urged the committee to wait a couple of weeks before taking action in order to allow the courts to hold their first hearing on a requested injunction which is scheduled to be held on February 15. Chair Kate Webb (D-Shelburne) honored the commitment made by Speaker Johnson though and sent H.39 out of her committee on an unfavorable vote. The bill will be taken up on the House floor early next week. Meanwhile, the House Education Committee has agreed to discuss a new proposal that could gain their support. Among other provisions, this proposal would allow for a one-year delay and would offer tax incentives for districts being forced to merge that voluntarily merge by July 1, 2019.