

Week 5 - February 5, 2021

THE VERMONT **STATEHOUSE INSIDER**

Weekly politics & analysis
of the issues in Montpelier



SECURITY BREACH

On Monday the Department of Labor (VDOL) announced a mailing error that resulted in a major data breach. VDOL estimates that the personally identifiable information of somewhere between 25,000 and 58,000 Vermonters was compromised when 1099 forms were mailed to incorrect addresses. The 1099 forms included names, addresses and Social Security numbers. The forms were sent out to unemployment insurance recipients at the beginning of the month. VDOL had printed 180,000 forms and was able to stop the majority from being mailed once the error was discovered.

The response to the breach came swiftly and from across state government.

Governor Phil Scott announced on Wednesday that he had dispatched two rapid response teams to VDOL to support and expedite the response to the breach. The first of the two teams, the Response Coordination Team, will focus on recovering the incorrect forms and delivering the correct forms as well as communication to impacted Vermonters and legislators. The second response team, the Consumer Protection Team, will work with the Attorney General's Office to provide impacted Vermonters with information and access to protections from fraud.

The governor also announced that he has asked State Auditor Doug Hoffer to conduct a performance audit to identify the root cause of the error and provide recommendations for long-term improvements. Finally, he announced the appointment of Dustin Degree, a former Franklin County state senator who had been serving as a special assistant to the governor, as the new deputy commissioner to help lead the department.

VDOL and members of the two response teams testified before the House Commerce and Economic Development Committee and the Senate Economic Development committee to ensure the legislature is informed on the scope and root cause of the breach. Along with continued efforts to respond to the pandemic, the response to the data breach will be a top priority for the executive branch and legislature going forward.

The House Appropriations Committee continued work on the FY2022 budget this week while policy committees continued their work addressing healthcare, housing, broadband deployment, transportation and workforce development challenges that have been amplified as a result of the public health crisis.

On Wednesday a consultant appearing on Zoom before the Senate Transportation Committee could be overheard using a racial slur at least twice during a several-minute window when the committee was on break but the YouTube feed remained live. A spokesperson for the Vermont Agency of Transportation said that the man, Steven Gayle, was fired from his transportation consulting firm on Thursday morning. The video, which is archived as all legislative streams are on YouTube, has since been edited to remove the captured hate speech.

The House Ways and Means Committee is considering a proposal from the administration that would apply the nine percent meals tax to the entire charge from meal delivery platforms like DoorDash and UberEats. Any service fee or mark-up charged by the delivery platform would be subject to the meals tax, rather than just the cost of the meal itself. This is similar to a change the legislature approved several years ago that applies the rooms tax to the service-fee charged by online booking companies like Orbitz.

BROADBAND BILL

The House Energy and Technology Committee continued to take testimony on [draft legislation](#) that is intended to further bolster the expansion of broadband service in Vermont. As it stands right now the draft legislation would create a “Vermont Community Broadband Authority” with an eleven person board and funnel money for deployment of broadband infrastructure through that entity. It would also exempt from property taxation certain types of new broadband infrastructure and enhance the ability of the Vermont Economic Development Authority to loan money to inter-municipal Communications Union Districts (CUD). That feature is consistent with the bill’s focus on bolstering CUDs. During testimony before the committee that focus drew some criticism from private sector broadband providers.

DIRECT-TO-CONSUMER MOTOR VEHICLE SALES

On Wednesday, the Senate Transportation Committee heard from Costa Pappis, Policy and Planning Manager of the Agency of Transportation, who provided this [summary](#) of AOT’s Direct-to-Consumer Motor Vehicle Sales Legislative Report. Chris Curtis, Chief of the Consumer Protection Division of the Vermont Attorney General’s Office, said that the stronger the nexus is between an out-of-state company and the state, the easier it is to enforce Vermont consumer

protection laws against the out-of-state company. Mr. Curtis also said that the AG's office had not taken a formal position on [S.47](#). An act relating to motor vehicle manufacturers and motor vehicle warranty or service facilities.

DRAFT DMV MISCELLANEOUS BILL

The Department of Motor Vehicles unveiled a draft DMV Miscellaneous Bill in the Senate Transportation Committee on Friday. The bill includes provisions related to temporary and in-transit plates, certificate of title and many provisions related to motorboats, among others. [Here is a link](#) to the draft bill, which the committee will work on next week.

DRAFT TRANSPORTATION BILL

The House Transportation Committee got its first glimpse of the administration's [draft FY22 Transportation Bill](#) on Friday. Included in the bill is \$250,000 for dealers and sales force incentives and training for EV sales. The language reads:

In fiscal year 2022, the Agency is authorized to spend up to \$250,000.00 in one-time Transportation Fund monies on the PEV Dealers and Sales Force Incentive and Training Program with up to the full \$250,000.00 available for the Agency's public-private partnership with VADA.

Peter Walke of the Agency of Natural Resources and Michele Boomhower of AOT and others made this [presentation](#) to the committee summarizing all the incentives the Governor is offering for EV sales.

BILLS OF INTEREST TO VADA

[H.169](#), **An act relating to consumer advertising** - This bill proposes to prohibit an advertiser from sharing key terms of an agreement through very small print or a rapidly spoken message that is difficult to understand.

[S.66](#), **An act relating to electric bicycles** - This bill proposes to define and regulate three classes of electric bicycles.

[S.57](#), **An act relating to secondary enforcement of the motorcycle helmet law** - This bill proposes to eliminate primary enforcement of the motorcycle helmet law.