



Week 6 - February 12, 2021

THE VERMONT **STATEHOUSE INSIDER**

Weekly politics & analysis
of the issues in Montpelier



DEAD OF WINTER

The legislature continued developing the FY2022 budget this week. The House and Senate Appropriations Committees started the week with a joint public hearing via Zoom and heard from more than 70 organizations and members of the public on a wide variety of budget proposals. House Appropriations spent the rest of the week hearing from state agencies and departments on the governor's proposed FY2022 budget. Meanwhile, many of the policy committees focused on the sections of the budget over which they have jurisdiction. The policy committees are refining their budget priorities and each will submit a memo to the House Appropriations Committee by next Friday outlining their recommendations for the budget.

The Senate passed the FY2021 Budget Adjustment Act bill, [H.138](#), this week. The bill makes various adjustments to the budget for the current fiscal year. The Senate added funding for body cameras in the Departments of Motor Vehicles, Fish & Wildlife and Liquor and Lottery budgets. However, deployment of body cameras is conditioned upon the appropriate training of staff and the adoption of policies on use and retention of records by each department. The bill also makes changes to spending in various other agencies of state government including Human Services and Transportation. [Here is a link](#) to the highlights of the Senate-passed bill. The bill was sent back to the House for consideration of the changes made in the Senate.

The Joint Fiscal Committee met Thursday to approve more than \$100 million in rental and utility assistance. The package will support lower-income Vermonters to ensure ongoing access to housing in the pandemic. The funds are from the second federal stimulus bill that was approved at the end of 2020.

The Department of Labor continued efforts to address the data breach caused when 1099-G forms were mistakenly sent to the wrong recipients at the beginning of February. Governor Phil Scott announced on Tuesday the state's insurance plan will cover the majority of the cost for providing affected Vermonters with identity theft protection services. The state will pay the \$250,000 deductible and the insurance plan will cover the rest. This is a far smaller expenditure than the \$7 million the state was considering last week to cover the cost of the identity theft services.

The legislature's work continues against the backdrop of the fight against COVID-19 throughout the state. State officials confirmed the appearance of the B.1.1.7 variant of the virus in the Burlington wastewater system this week. The variant, which was first detected in the United Kingdom, marks a new phase in the fight against the virus according to Department of Health Commissioner Mark Levine.

Governor Phil Scott announced on Friday the state will open the next age band for Vermonters to be eligible for the COVID-19 vaccination. On Tuesday, February 16,

Vermonters age 70 and up will be eligible to receive the vaccine. The governor said vaccine supply is increasing nationally. The governor also announced on Friday that music programs will resume in Vermont schools. This follows the announcement last week that sports programs would reopen. The governor said both music and sports are critical for the mental health and wellbeing of Vermont children. The governor said reopening these programs is done in close coordination with the Department of Health.

CORPORATE TAX

The House Ways and Means Committee took testimony this week on [H.189](#), which proposes to make changes to the corporate income tax. H.189 amends how a multi-state corporations' overall net income is allocated to Vermont. The bill provides that at the end of a three year period the allocation would be based solely on the corporation's sales to Vermonters, as opposed to also considering other factors such as physical assets in Vermont and payroll in Vermont. The effective impact of this change would be a boon to in-state manufacturing firms that export the majority of their production and an increase in tax liability for firms based outside of Vermont that provide services inside the state. One example cited during testimony of a type of company that would experience increased tax liability is transportation network companies like Lyft and Uber. Since both companies do not have property or employees in the state, basing the Vermont portion of those companies' overall net income on just their Vermont sales would drive up their tax liability. H.189 makes several other changes to the corporate tax, including a shift from the *Joyce* entity-by-entity method to the *Finnegan* taxpayer method and the repeal of the definition of overseas business organizations.

DIRECT TO CONSUMER SALES (S.47) IN SENATE TRANSPORTATION COMMITTEE (STC)

STC received a presentation Thursday on what is included in S.47, its purpose and scope.

Click [here](#) to watch Testimony beginning at 1.05.

STC heard testimony on Friday from several witnesses regarding S.47 including Tesla and the Alliance of Motor Vehicle Manufacturers.

Click [here](#) to watch Friday Testimony from the beginning.

STC will hear from VADA members next week regarding the dealer franchise law, the economic contributions generated by franchised dealers and industry progress made on electric vehicle technology.

VADA TESTIFIES DEV, MILEAGE SMART, REPLACE YOUR RIDE PROGRAMS

Marilyn Miller testified in the House Transportation Committee this week regarding VADA member participation with Drive Electric Vermont, MileageSmart, Replace Your Ride and other programs, noting the importance of consumer education outreach, salesperson training and financial incentives in advancing the sale of electric vehicles for all Vermonters, including low and medium income households.

VADA BILLS INTRODUCED THIS WEEK

- [H.206](#), An act relating to the creation of the bicycle safety vehicle registration plate - This bill proposes to create a new bicycle safety motor vehicle registration plate, with proceeds allocated to the Agency of Transportation's Bicycle and Pedestrian Program to improve the safety of bicycle riders in the State.

- [H.235](#), An act relating to consumer protections related to involuntary towing and storage of motor vehicles and abandoned motor vehicles (short form) - This bill proposes to: (1) establish consumer rights in connection with involuntary towing and subsequent storage of motor vehicles, including requiring court action prior to the assignment of motor vehicle title to a towing and storage operator; and (2) require the Department of Motor Vehicles to maintain and keep current on its website a list of vehicles for which an application for a certificate of abandoned motor vehicle has been filed.
- [S.67](#), An act relating to creating a right to repair agricultural equipment - This bill proposes to promote choice and competition by requiring manufacturers of electronics-enabled equipment used in agriculture, animal husbandry, and ranching to make available to farmers, ranchers, and independent repair providers, on fair and reasonable terms, the documentation, parts, and tools used to diagnose, maintain, and repair such equipment.