

Week 6 - February 15, 2019

THE VERMONT **STATEHOUSE INSIDER**

Weekly politics & analysis
of the issues in Montpelier



COMING INTO FOCUS

The House and Senate agreed to set a “crossover” deadline of March 15 for all policy bills to move out of committees, while giving the money committees one additional week, or until March 22, to advance bills. That only leaves two and three weeks respectively, excluding the Town Meeting recess the first week of March, for committees to complete their work.

As a result, committees are beginning to wrap up their work on major bills in order to meet the crossover deadlines. Those bills include ones addressing cannabis, abortion rights, Act 250 reform, paid family leave, minimum wage, data privacy and broadband connectivity, to name a few.

In terms of money bills, the Senate passed the FY19 budget adjustment bill this week, which makes adjustments to last year’s \$6 billion state budget bill. Here is a [summary](#) and highlights of the Senate-passed budget adjustment bill.

Other money bills taking shape include the FY20 budget bill, the miscellaneous tax and fee bills, the Transportation Bill and the Capital Bill. Lawmakers and Governor Scott have yet to have a

public spat about these money bills but everyone is holding their breath to see if the governor unveils an April surprise similar to the ones he did in the past two years that sent the money bills into a tailspin.

The next two weeks are critical. When lawmakers set off for a week away from the State House on March 1, it will be clear what bills have traction and those that didn't make the cut and have to wait until next year. The day after we pass crossover is best summed up with, yesterday is history, tomorrow is a mystery.

BILLS OF INTEREST TO VADA

[H.191](#) - This bill proposes to clarify that the Public Utility Commission and Department of Public Service do not have jurisdiction over a company just because of its involvement with an electric vehicle charging station, which will permit the company to charge for electricity.

[H.201](#) - This bill proposes to:

(1) establish consumer rights in connection with involuntary towing and subsequent storage of motor vehicles;

(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; and

(3) establish a working group to consider and develop recommendations as to whether Vermont laws that grant private and public entities the authority to involuntarily tow motor vehicles and govern the disposition of abandoned motor vehicles should be amended.

[H.217](#) - This bill proposes to eliminate the annual vehicle safety inspection for all vehicles except school buses.

[H.243](#) - This bill proposes to direct the Joint Fiscal Office to examine the Vermont tax code and identify all provisions that function to subsidize or reduce the after-tax cost of the use of fossil fuels by businesses, farms, or nonprofit organizations, including sales tax exemptions and deductions of costs from corporate income taxes. This bill also proposes to create an Energy Efficiency Fossil Fuel tax that would only be imposed on fossil fuels when the market price dropped below an established threshold based on historic prices. Revenue generated by this tax would be deposited into the General Fund and directed to investments in weatherization renewable energy, and rural public transit.

[H.255](#) - This bill proposes to prohibit vehicles that are not actively using an electric vehicle charging station from parking in a space designated for electric vehicle charging.

AUTOMATED VEHICLES

Joe Segale of the Agency of Transportation unveiled AOT's automated vehicle testing proposal in the Senate Transportation Committee this week. The [proposal](#) requires anyone interested in testing an automated vehicle on a public road in Vermont to obtain a permit from the Traffic Committee. The permit will define the scope and operational design domain for the test and demonstrate the ability of the automated vehicle tester to comply with the requirements of the new law. The Traffic Committee's members are the Secretary of Transportation, the Commissioner of Department of Motor Vehicles and the Commissioner of Public Safety, or their designees. The bill imposes many restrictions on vehicle testers including that they must inform municipalities where they plan to test the vehicles but municipalities do not have the right to say no. The committee is considering including the proposal in the draft DMV miscellaneous bill. The committee will hear more from Mr. Segale on the proposal next week.

VEHICLE EMISSION INSPECTIONS

After the Senate gave initial approval to S.84, the vehicle emissions inspection bill last week, the Senate passed over the bill this week to allow for additional testimony. The Senate Natural Resources & Energy Committee and the Senate Transportation Committee took testimony and came to an agreement on how to move forward. The final agreement is not on-line at the time of this writing. The most significant change is that the agreement requires all motor vehicles to continue to undergo a safety inspection each year but only vehicles 15 model years or less (rather than 10 model years or less) have to undergo an emissions or OBD (on-board diagnostic) system inspection once a year. It is likely the bill will be up for final action on the Senate floor next week.

CANNABIS

On Friday morning the Senate Judiciary Committee voted 4-1 to favorably recommend [H.54](#), a bill establishing a regulated market for cannabis in Vermont. Perhaps the most contentious debate surrounding H.54 is whether to allow the state's medical dispensaries to begin retail sales of cannabis more than a year before other retail cannabis establishments. In the end the committee rejected that idea. Before the full Senate votes on H.54 the bill must first go to the Senate Finance and Appropriations committees. It's expected that the bill will hit the Senate floor the week of February 25.

BROADBAND

Broadband connectivity continued to be a significant topic of discussion in both the House Energy & Technology Committee and Senate Finance Committee. Late Friday afternoon the Energy & Technology Committee moved beyond open ended discussion and looked at a multi-faceted [draft](#) “committee bill” the committee’s Chair, Rep. Tim Briglin (D-Norwich) put on the table. His proposed bill raises the USF fee from 2.0% to 2.5% for four years. The resulting \$1.6 million additional annual revenue would largely go to the Connectivity Fund, which provides grants for the deployment of broadband infrastructure and “high cost support” subsidy payments to Consolidated Communications and the independent telephone companies like Waitsfield and Champlain Valley Telecom. The proposal also appropriates almost \$1 million from the General Fund for studies concerning the feasibility of contemplated new intermunicipal Communications Union Districts similar to EC Fiber, for Connectivity Initiative grants, and for studying the idea of electric utilities providing broadband connectivity. Another significant feature of the proposal, and one that came from the administration, is authorizing municipalities to issue General Obligation bonds, i.e., bonds backed by a municipality’s general tax revenues, to finance municipally owned broadband infrastructure.

ONLINE TRAVEL

Governor Scott proposed a new tax on service fees for Online Travel Agents (OTA). Popular sites like Expedia which are utilized regularly by travelers to find accommodations for their vacation would be subject to this tax. These sites have arrangements with hotels and bed and breakfasts that help increase traffic to their establishments. In exchange, OTAs charge a fee for their service which is not currently taxed by the state of Vermont. The Vermont Tax Department predicts this new tax will generate an additional \$2 million in revenue for the state which demonstrates the popularity of using an OTA to book accommodations.

FROM THE LEONINE BLOG

Over the last several years, the Airbnb mobile app and website has exploded in popularity, challenging the dominance of hotels and creating an entirely new front in the sharing economy by allowing individuals to monetize their apartments or empty rooms around the globe. Though known by many names, these types of accommodations are typically referred to as “short-term rentals.” For as long as these rentals have been around, their regulation and taxation has perplexed lawmakers, with some seeking to cash in on their popularity. Others have preferred a hands-off approach to let the market grow. While the hands-off approach has been the most common type of state legislation to date, an increasing push in the opposite direction – to tax and regulate these rentals at the state level – has begun to take hold.

[Click here](#) to read more.

