

Week 9 - March 12, 2021

THE VERMONT **STATEHOUSE INSIDER**

Weekly politics & analysis
of the issues in Montpelier



HALF-TIME?

The legislature was in high gear this week as committees worked to finalize legislation to meet the Friday crossover deadline for policy bills. The House Appropriations committee continued to refine the FY2022 budget bill and the Senate Appropriations committee spent much of the week discussing H.315, the “fast-track” COVID-19 recovery funding bill. The crossover deadline for money bills is March 19.

The budget and COVID-19 recovery discussions took on a new tone as Congress finalized and passed the American Rescue Plan, the \$1.9 trillion federal stimulus bill. As it became clear the state will receive upwards of \$2.7 billion from the

federal bill, lawmakers started to consider how the additional federal stimulus will impact budget discussions and expanded support for Vermonters.

U.S. Senator Patrick Leahy's office issued a [press release](#) outlining the impact of the American Recovery Plan for Vermont, including \$1.3 billion from the Coronavirus Relief Fund and \$731 million in Economic Impact Payments to Vermonters. In addition, there is expected to be funding for K-12 schools, colleges and universities, rental assistance, homeowner assistance, childcare support, vaccine distribution, LIHEAP and transportation infrastructure.

The additional federal funds will have a significant impact on the state budgeting process, and state fiscal officers are working to analyze the federal funding guidance so lawmakers can start work to incorporate it into the FY2022 budget and other recovery bills. There has also been a fair amount of buzz about how the new funding could affect the legislative timeline. The likelihood of an extended legislative session beyond the traditional May adjournment has increased as the legislative and executive branches work to incorporate the federal funding into the budget.

Governor Phil Scott was joined on Friday via video by U.S. Senator Bernie Sanders to provide an update on the American Rescue Plan. Governor Scott also announced additional loosening of COVID-19 restrictions. As of Friday two non-vaccinated households are allowed to gather as long as social distancing and masking is observed. Additionally, Governor Scott announced non-vaccinated households can host vaccinated guests from multiple households. The Governor also loosened restrictions on restaurants, allowing up to six people from different households to gather together at one table. All other restrictions for restaurants remain in place.

Vermont is following recently announced [CDC guidance](#) that allows small groups of vaccinated people to gather indoors without masks and allows vaccinated people to gather with non-vaccinated people. Governor Scott says the state is on target to have all Vermonters eligible to register for a vaccine by May 1, if not earlier.

DIRECT TO CONSUMER MOTOR VEHICLE SALES (S.47)

On Friday the Senate Transportation Committee voted 5-0 to advance S.47, a bill that proposes to allow a direct-to-consumer manufacturer to become a registered dealer in Vermont in order to sell vehicles directly to Vermonters and directly own and operate a warranty and service center in Vermont. The bill also contains provisions that strengthen the motor vehicle franchise law to prevent franchised manufacturers from competing against their franchised dealers. This week Bob Cody, Mitchell Jay, Marilyn Miller and lobbyist Clare Buckley worked with members of the Senate Transportation Committee to come up with a compromise bill. The compromise bill that passed out of the committee:

- Creates a definition of “non-franchise zero emissions vehicle manufacturer” which must meet all of these requirements:
 - only manufactures zero-emissions vehicles
 - only sells vehicles direct to consumers
 - does not currently sell or lease motor vehicles in Vermont through a franchised dealer (or has never done so in the past)
 - has not sold more than a 30 percent ownership interest to a franchised manufacturer or a franchised manufacturer does not have more than a 30 percent ownership interest in the non-franchised zero emission vehicle manufacturer
 - is a registered Vermont dealer with Vermont Department of Motor Vehicles
- Amends the definition of “new motor vehicle dealer” in Vermont’s motor vehicle franchise law to clarify the activities that are reserved for franchised new motor vehicle dealers including the sale and lease of vehicles and the sale of parts and accessories and prohibits manufacturers from engaging in these activities that are reserved to dealers.
- Contains a section that states it is the intent of the General Assembly to amend the motor vehicle franchise law in the 2021 adjourned session (2022), and lists the items that may be included. Also requires any person interested in proposing amendments to the dealer franchise law to file them

with DMV by December 1, 2021. DMV then has to compile all the proposals it receives and report to various committees by January 15, 2022.

[Click here](#) for a link to the version of the bill the Senate Transportation Committee advanced.

HOUSE TRANSPORTATION COMMITTEE

The House Transportation Committee voted late on Friday to advance the FY2022 transportation bill. The bill contains numerous provisions related to EVs. [Click here](#) for version 4.2 of the bill that the committee voted out today.

TECHNICAL CORRECTIONS BILL

[H.366](#), An act relating to 2021 technical corrections, is a 254 page bill that makes technical, non-substantive changes to Vermont's law. Every year the bill addresses different titles of Vermont Statutes Annotated. This year it addresses both Title 9, which contains financing, and Title 23, DMV. While these are supposed to be non-substantive changes, we are tracking this bill carefully. The House Government Operations Committee advanced the bill and the full House postponed action on the bill until March 16, 2021.

GUN BILL ADVANCES

The Senate Judiciary Committee this week approved S.30, a bill that would prohibit an individual from knowingly carrying a firearm into a hospital. It also directs the Capital Complex Security Advisory Committee to report back on how firearms are currently regulated at the Capital Complex - where the statehouse is - and recommend whether and how the issue of firearms at the Complex should be

addressed in legislation. The bill as introduced would have banned firearms from hospitals, childcare facilities and other government buildings but was ultimately scaled back after testimony from the Commissioner of Public Safety and pro-gun lobbyists.

COVID-19 RELATED HEALTH CARE MEASURES EXTENDED

On Friday the Senate gave preliminary approval to S.117, a committee bill sponsored by the Senate Health & Welfare Committee. The bill extends health care related provisions enacted last year in response to the COVID-19 emergency that were set to sunset on March 31, 2021 until March 31, 2022. The provisions are far ranging in nature and address issues such as regulatory flexibility for health care providers and health care facilities, health insurance coverage for diagnosing and treating COVID-19 and similar respiratory ailments, and access to prescription drugs. Additionally, the bill requires health insurers to cover the delivery of health care services by telephone beyond the end of the COVID-19 emergency at provider reimbursement levels established by the Department of Financial Regulation. The bill will be up for final approval in the Senate next Tuesday.

ECONOMIC DEVELOPMENT

On Friday, the House Committee on Commerce and Economic Development approved H.159, the omnibus economic development bill. The package includes \$1 million for tourism and marketing, additional resources for workforce development programs within the Vermont State College System, the creation of a Better Places Program within the Department of Housing and Community Development, funding for Vermont's technology sector, and an expansion of the existing Downtown Tax Credit program. The bill also appropriates \$100,000 to the Agency of Commerce and Community Development (ACCD) to hire a contractor that would convene BIPOC businesses, organizations, community leaders and representatives from state government to recommend legislation that would create

a state BIPOC business network. ACCD is also tasked with implementing an Economic Advancement Program to cultivate and support BIPOC businesses. The bill also funds the services of a foreign trade representative for two years in order to begin the work of cultivating relationships with Canadian partners and developing prospects for attracting business relocation and investment in Vermont.

EDUCATION EQUITY FUNDING

On Friday, the Senate Committee on Education approved S.13, a bill establishing a task force charged with creating an implementation plan to correct inequities in Vermont's education funding formula, recommended in an educational research [report](#) conducted by the University of Vermont and Rutgers University. The 2019 report determined that equalized students (how students are counted for the purposes of allocating the resources needed to educate them) were undercounted in nearly 60 percent of Vermont schools. The student populations that are most significantly under-represented in terms of funding needs, according to the UVM and Rutgers report, are those including children living in rural districts, those that are English language learners, and children that come from economically disadvantaged households. This flaw has led to higher tax rates and fewer resources for schools with those populations. S.13 will go to the Senate Appropriations Committee for consideration.

BILLS OF INTEREST TO VADA

[S.121](#), **An act relating to plug-in electric vehicle registration fees** - This bill proposes to create additional vehicle registration fees for plug-in electric vehicles.

[H.393](#), **An act relating to Vermont's motor vehicle total loss threshold** - This bill proposes to replace Vermont's motor vehicle total loss formula with a 65 percent threshold.