

Week 9 - March 15, 2019

THE VERMONT **STATEHOUSE INSIDER**

Weekly politics & analysis
of the issues in Montpelier



RIISING SUN

It was crossover week for policy bills in the Vermont legislature. After a week long break for Town Meeting Day lawmakers returned to Montpelier and the policy committees worked diligently to pass their priority bills for 2019.

Probably the most controversial hearing occurred in Randolph, where the Senate Judiciary Committee heard from citizens on two gun safety proposals. The proposals, which would create purchase waiting periods and impose safe storage requirements, are being considered a year after Vermont passed landmark gun safety legislation in the wake of the mass shooting in Parkland, Florida.

Back in Montpelier the House passed a bill putting more stringent regulations on the sale of vapor products and a bill regulating the renewal terms of consumer contracts. The Senate passed the annual budget adjustment bill which makes corrections to the FY 2019 budget. It also passed a bill creating new liability requirements for the release of certain chemicals and requiring medical monitoring for people who have been exposed to the release.

The House Ways and Means Committee continued to work on H.107, the paid family leave bill. That bill, along with the bill increasing the minimum wage, S.23, are both expected to be points of contention between Governor Phil Scott and the Democratically controlled legislature at the end of the session.

The flurry to pass policy bills this week sets up the potential for some long floor sessions next week, as those bills will be taken up for debate on the floors of the House and Senate. Friday of next week is the crossover deadline for money bills such as the FY 2020 budget, the capital bill and the miscellaneous tax bill. One money bill, the annual transportation bill, has already passed out of the House Transportation Committee. It will be considered on the House floor next week.

TRAVEL AGENT TAX

The House Ways and Means Committee is wrapping up its work on the miscellaneous revenue bill, which includes a new tax the Scott administration is proposing on service fees for Travel Agents. The intent of the proposal is to target Online Travel Agents (OTAs) like Expedia which are utilized regularly by travelers to find accommodations for their vacation. 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 OTAs to book accommodations). As drafted, the language would also apply to traditional brick and mortar travel agents operating in Vermont. Not only would there be a new tax on the service fees assessed by Vermont travel agents, but it would be assessed on revenue that is already subject to state and federal income tax.

- [Here's a link](#) to a draft of the bill.
- [Here's a link](#) to a section-by-section.
- [Here's a link](#) to the JFO revenue estimate for the miscellaneous revenue bill.

TOXICS

The Senate Health and Welfare committee passed S.55 by a vote of 4-0-1 on Tuesday. The bill is nearly identical to last year's S.103, which was vetoed by Governor Scott. It would give the Department of Health more authority to regulate chemicals used in the manufacturing of children's products. The bill will now be considered by the Natural Resources Committee.

MISCELLANEOUS TAX BILL

On Friday, the House gave preliminary approval to [H.514](#), the miscellaneous tax bill. The bill makes various changes to tax laws but has little revenue in it so it is not controversial. There was one question raised about changes to the Current Use program that will likely be worked out before final approval. The bill is scheduled for a final vote next Tuesday.

T-BILL

The annual “T-Bill” passed the House Transportation Committee on Friday. The bill funds \$617 million in overall transportation spending, including \$100 million for paving, \$54 million for bridges, \$32 million for rail and \$34 million for public transit. The Transportation committee had some last minute disagreement with the Agency of Transportation on town highway aid funding for projects like sidewalk repair. The committee proposed taking money out of the maintenance budget to shore up the town highway aid fund. VTrans objected, saying the maintenance budget was already running a shortfall due to the heavy winter, and that taking money out would create a budget gap before the budget passes. After some heated back and forth VTrans and the House Transportation Committee proposed using dollars for two roadway projects to increase funding for town highways. The bill will be considered on the House floor next week.

ACT 46

On Tuesday The Chair of the Senate Education Committee introduced an amendment to H.39, the House’s bill that partially delays forced mergers. This amendment would only allow a merged district’s elected school board to determine whether the new district’s operating date would be July 1, 2019, or July 1, 2020. Communities seeking a delay of forced mergers testified against this condition, as it would mandate the creation of a merged board in order to vote on whether or not to implement the one-year delay. After listening to hours of testimony for most of the week, the Committee voted the amended bill out on Friday by a favorable vote of 5-1. It heads to the Senate floor next week for a vote by the full Senate.

DATA PRIVACY

The Senate Economic Development, Housing and General Affairs Committee passed an amended version of this year’s data privacy bill, [S.110](#). The bill requires the state to conduct an audit of its own practices concerning handling data about Vermonters. It also contains provisions regulating the gathering, in an educational setting, of data about students. Finally, it expands the definition of “personally identifiable information” for the purposes of the existing obligation to notify consumers of data breaches to include additional elements such as health information and online login credentials.

REGULATORY "SANDBOX" FOR INSURANCE PRODUCTS

By a 4-3 vote the Senate Finance Committee approved [S.131](#), which includes a proposal by the Scott Administration to allow the Department of Financial Regulation to create a regulatory “sandbox” for insurance products. The idea is to allow innovative insurance products that do not meet the traditional, long standing criteria for being allowed into the market to be put into the market on a time limited, trial basis. The Senators voting “nay” expressed concerns about allowing unorthodox insurance products into the market whereas the committee members who supported the bill spoke of the need to allow innovation and pointed to the safeguards in the bill.

FROM THE LEONINE BLOG

MORE STATES ASK, "WHERE'S THE BEEF?"

A few years after “ag-gag” bills swept the nation; a new type of agriculture protection bill is now finding favor in farm-heavy state legislatures. This time, the debate boils down to a single word and how it may be used: meat.

[Click here](#) to read more.