

LEGISLATIVE UPDATE

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Issue 11

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WEEK 11

The House spent much of the week on the floor discussing everything from “special accommodations” for pregnant woman to gun removal in a domestic violence situation. This lengthy floor time caused many committees to scramble to get their work done. Long days were the norm for this week. The Senate also tacked some rather prickly issues, one in particular was raising the smoking age, which ended up being sent to Senate Finance.

Again, I remind you, if you have a question or concern or would like to visit the statehouse please contact me.

WATER QUALITY

The House Ways and Means committee passed out the miscellaneous tax bill on a vote of 11 to 0 today. Included in that bill was:

- Language requiring the Treasure to report on the viability of a revenue bond as a source of clean water funding
- Convening a Clean Water Working Group to make recommendations for clean water funding
- Language repealing the sunset on the surcharge on the property transfer tax that is devoted to the Clean Water Fund

The House Institutions and Corrections committee is working on the budget bill for capital construction, capital appropriations and state bonding. The bill includes \$45 million over two years for capital clean water projects.

This is in line of what was supported by the Governor Scott.

Both of these bills will go to the House floor for discussion and a vote and then over to the Senate.

H-510 An act relating to the cost share for State agricultural water quality financial assistance grants

This bill proposes to authorize the Secretary of Agriculture, Food and Markets to waive the requirement that an applicant for a State agricultural water quality assistance grant

pay a cost share. The bill would also define the term “farm” for the purposes of the regulation of agricultural water quality.

This bill passed out of House Natural Resources Fish and Wildlife and is now in House Appropriations. It is likely that this bill will move quickly to the Senate.

ACT 250

H-424 An act relating to the Commission on Act 250: the Next 50 Years

H-424 passed out of House Natural Resources Fish and Wildlife last Friday on a vote of 7 to 2. The bill is now in House Appropriations.

WORKERS COMP

H-374 An act relating to reducing the cost of workers’ compensation in high-risk occupations and industries

Deputy Commissioner Sam Lincoln testified Thursday morning in House Commerce on this bill. The bill is asking for a study to consider ways of lowering the cost of Workers Comp insurance for high-risk businesses, such as logging. The committee was receptive to the idea of a study.

The House Commerce and Economic Development committee continues to work on several bills dealing with workers compensation and the definition of an Independent Contractor.

RURAL ECONOMIC DEVELOPMENT

S-34 An act relating to cross-promoting development incentives and State policy goals

This bill proposes to direct the Governor’s Development Cabinet to review State incentive programs and propose program changes, conditions for incentives, or other strategies to cross-promote relevant State policies.

The Senate Agricultural committee spent several weeks discussing and developing the language in this bill. The bill contains everything from reestablishing the Vermont Milk Commission, to establishing a Rural Economic Development Team to exempting sales tax on equipment used for timber cutting, removal and processing. **S-34** has moved from Senate Agriculture to Senate Finance and is now in Senate Appropriations. The tax-exempt language for timer equipment still remains in the bill.

FROM THE LAKE CHAMPLAIN REGIONAL CHAMBER OF COMMERCE

Room Night Fee, Tax Increment Financing & Housing Bills Merge

The Senate Committee on Finance merged [S.99 - An act relating to authorizing additional tax increment financing districts](#), [S.100 - An act relating to promoting affordable and sustainable housing](#), and [S.81 An act relating to an occupancy fee into one bill](#). S.81 would impose a \$2 per room night fee on lodging properties in order to pay for various housing initiatives. While the Chamber supports not only the creation of more housing but specifically [S.99](#) and [S.100](#), *we strongly oppose a per room night fee on lodging as a source of revenue*. Governor Scott has held firm on his opposition to any new revenue sources. The Senate Finance Committee's move to charge the room night fee and link it to priorities of the Governor seems to set up yet another battle between the Legislature and the Scott Administration.

Earlier in the week, David White, representing seven municipalities interested in establishing TIFs, gave an overview and introduction before welcoming Bob Stevens, an architect/developer based out of Brattleboro, to the witness chair. Stevens began by explaining the huge gap between the costs of doing development and redevelopment and the value of the project when completed. He gave the example that many projects will cost \$300/sq ft to complete but are often only valued at \$100/sq ft upon completion. TIF, along with other resources such as grants and tax credits, help fill in the ~\$200/sq ft gap. Stevens stressed that TIF is only one part of the funding for these projects and is vital to help pay for the public infrastructure piece of the project's cost.

Brennan Duffy of the Rutland Redevelopment Authority gave testimony on the importance and necessity of TIF to help pay for a redevelopment project in Rutland. The project proposes to redevelop an underutilized space. Duffy stressed the need for TIF funding due to the fact that the project's location makes it ineligible for incentives like new market tax credits. He also emphasized the importance of not requiring housing in TIF projects because some communities don't need more housing.

David White also proposed several amendments to [S.99](#). He emphasized the fact that TIF is only a piece and that developers need to layer funds for these difficult projects to make financial sense. He also stressed the need for flexibility as each project and circumstance is unique. His proposed amendments are below with the ones in underlined text being included in the newly merged bill:

- Removing language that requires municipalities to put in an additional 5% of their increment as compared to the property tax increment.
- Changing language to ensure geographic distribution so that it doesn't prohibit more than two new TIFs in each county. This was changed to language that allows up to 14 new TIF districts throughout the state during the seven year period.
- Removal of the sunset after seven years.
- Change language regarding the third location criteria regarding economically depressed areas so that it is tied to median county income.
- Proposes two more project criteria, moving it from requiring applicants to meet two out of four of them to three out of six.

The Chamber believes that TIF is a vital tool for redeveloping our downtowns, village centers and areas designated for growth.

The Senate Committee on Natural Resources & Energy also discussed aspects of [S.100 - An act](#)

[relating to promoting affordable and sustainable housing](#), that relate to Act 250 exemptions for priority housing projects. The bill, as passed by the Senate Economic Development Committee, proposes to remove the cap on the number of housing units a priority housing project may build and qualify for an Act 250 exemption in municipalities of 10,000 people or more. This essentially means the state trusts these large municipalities and their zoning regulations to determine the proper number of units a priority housing project may build.

The Committee voted on an amendment to this aspect of the bill that would require priority housing projects to still meet or exceed stretch codes even if they qualify for an Act 250 exemption. Stretch codes are related to building energy codes and involve things like energy efficiency and energy consumption requirements. This essentially requires priority housing projects to meet these requirements even if they are exempt from the Act 250 process. This adds cost to the project, which Katie Buckley, Commissioner of Housing and Community Development, stressed could discourage developers from redeveloping downtown areas and pursuing these types of projects. The Senate Committee on Economic Development, Housing & General Affairs who drafted this bill, has asked for a fiscal note to look at the additional cost this amendment could add to these projects.

Below is the link to the Vermont Legislative website
Legislature.vermont.gov

YOU ARE INVITED TO THE

20th ANNIVERSARY

OF THE 2 + 2 PROGRAM

CELEBRATE WITH VTC AND UVM

Dairy Reception

Thursday March 30th, 2017

4:00 to 6:00

Cedar Creek Room

At the Statehouse

**Meet the alumni, current students, new students and
their parents**

Presentation starts at 4:10

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Coming together is a beginning, keeping together is progress, staying together is success”

– Henry Ford

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