

LEGISLATIVE UPDATE

March 23, 2018

Issue 11

ejc Consulting
6147 VT RTE 116, Starksboro, VT 05487
ejcconsultingvt@gmail.com
802 233 9563

WEEK 11

The House spent most of the week on the floor discussing several major bills. The first up for consideration was the House Appropriations budget bill, **H-924**. This is the bill that funds state government. The House Appropriation's budget bill and the Governor's proposed budget were very close. With a budget proposal of almost \$8 billion there was only a \$7 million difference between the House Appropriations committee and the Governor. It is expected that the House Appropriation's budget bill will pass the House today and then move to Senate Appropriations. The other topics of great interest this were the education-funding bill, **H-911**, and **S-55**, the gun safety bill.

FORESTRY

S-101 An act relating to the conduct of forestry operations

This bill proposes to provide that certain forestry operations would not be subject to liability as a public or private nuisance.

This bill passed out of Senate and is now in House Agriculture. The House Agriculture committee heard from members of the VWA last Wednesday of the importance of this legislation. There was lengthy discussion around part (c)

Upon motion of a complaining party, there shall be no presumption under subsection (a) of this section that conventional forestry practice does not constitute a nuisance, if a court determines that the conventional forestry practice has a substantial adverse effect on health, safety, or welfare, or has a noxious and significant interference with the use and enjoyment of the property that the complaining party owns or controls.

The above language was an amendment from the Senate floor. VWA would like at least the language that is in red to be removed or best to remove all of part (c). The House committee will continue to work on **S-101** and hopefully make the changes VWA request.

WATER QUALITY

S-260 An act relating to funding the cleanup of State waters

S-260 passed the Senate unanimously and is now in House Natural Resources. The bill includes the following:

- Creates study committees to address the funding mechanism
- Allows Citizen Right of Action
- Requires a pilot project for Lake Carmi and agricultural practices
- Creates water quality block grants
- Revision of RAP's
- report from ANR on future farming practices in Vermont

MISCELLANEOUS AGRICULTURE

H-904 An act relating to miscellaneous agricultural subjects

This bill proposes to amend the Secretary of Agriculture, Food and Markets' authority to administer and enforce requirements for the growing, harvesting, packing, and holding of produce for human consumption. The bill would also clarify what constitutes arrival of the conveyance onto facility property for the purpose of the transport of livestock and poultry to slaughter.

H-904 was a seven-page bill that passed out of the House last week. The bill is now in Senate Agriculture and is up to 31 pages. Much of what was taken out of **S-276** has found its way into **H-904**. The following is now in **H-904**:

- Requiring a report on “demand charges of electricity” and its impact on businesses in rural areas of the state
- Clarifying qualifications for use value appraisal
- Requiring a report on the feasibility and impacts of requiring public buildings that use wood to produce heat or electricity to give preference to Vermont suppliers
- Establish the Outdoor Recreation Friendly Community Program
- Applications concerning the construction of improvements for a sawmill that produces two million board feet or less annually, shall be processed as a minor application
- Advanced wood boiler tax credit

EDUCATION

H-911 Taxation; personal income tax; statewide education tax; municipal taxes

This bill proposes to make numerous changes to Vermont's personal income tax and its system of education financing.

The House spent many hours discussing education financing this week. There were several amendments offered but in the end the original bill prevailed. Below is an overview of what is in the bill. The bill is now in Senate Finance. The Governor has indicated that he would veto the bill, believing that there is no cost containment and that it just a changing of funding sources.

Income Tax Changes

1. Reduces state tax burden on Vermonters who are adversely impacted by the change in Federal Tax Law (\$30 million returned to Vermonters) 2. Lowers taxes for Vermonters:

- Lowers all income tax rates by 0.2% and collapses top two income tax brackets
- Creates a VT Standard Deduction, equal to \$6,000 for single filers and \$12,000 for married couples
- Creates a Vermont Personal Exemption equal to \$4,150 per exemption
- Expands the Vermont Earned Income Tax Credit, from 32% of the Federal EITC to 35%
- Creates a 5% tax credit for the total amount of charitable contributions up to \$10,000. Taxpayers who contribute up to \$10,000 will be eligible for a \$500 tax credit

2. Provides tax relief to Vermonters receiving Social Security benefits

- Taxable Social Security benefits below \$45,000 for single filers and below \$60,000 for married filers will be 100% exempt from State income tax

Education Finance System Changes

1. Adds a School Income Tax Surcharge, built upon the reformed income tax system

- Rates are 0.1% of lowest bracket, 0.5% for middle brackets, and 1% on highest income brackets
- Raises approximately \$59 million for education

2. Uses the \$59 million to reduce average homestead property tax rates (on both property and income) from projected FY19 rates (average reduction of \$0.15)

3. Cost containment: future tax rates will rise faster for all spenders

4. Non-residential property tax rate: stays at current law = \$1.591

5. Homeowner rebate: split into two components: education and municipal

6. Renter Rebate: maintained and transferred to GF

7. Separates municipal and education tax bills

8. GF transfer to EF repealed in a revenue neutral way

- Dedicates to the EF: 100% of sales tax and 25% of rooms and meals
- Transfers adult education, flexible pathways, community high school of VT, renter rebate to GF (\$21.5 million)

9. Repeals excess spending penalty

GF is General Fund EF is Education Fund

TOXICS BILL

S-197 An act relating to liability for toxic substance exposures or releases

This bill proposes to hold any person who releases a toxic substance strictly, jointly, and severally liable for any harm resulting from the release. The bill also proposes to establish a private right of action for medical monitoring damages incurred due to exposure to a toxic substance.

S-197 passed the Senate on a vote of 17 to 13. It is now in House Judiciary. This is a very far-reaching bill. The availability of insurance and the affordability could be negatively impacted if the current version of **S-197** passes.

H-922 An act relating to making numerous revenue changes

This bill proposes to make numerous substantive and administrative changes to Vermont's tax laws. The bill permits the creation of merged property assessment districts to match merged school districts. The bill moves the collection and administration of the fire safety insurance tax, the direct placement insurance tax, and the surplus lines tax from the Department of Financial Regulation to the Department of Taxes. The bill makes numerous other changes, including changes to the current use lien system, the definitions of household income and homestead, tobacco taxes, higher education investment plans, the downtown and village center tax credit, the affordable housing tax credit, and the meals and rooms tax. This bill further proposes to revise the formula under which the Green Mountain Care Board assesses regulated health care industries for certain costs associated with their regulation and to revise municipal stormwater fees.

This bill passed the House on Thursday and is now in Senate Finance.

Below is the link to the Vermont Legislative website

EVENTS OF INTEREST

DAIRY RECEPTION

CELEBRATE

The 2 + 2 Program at VTC and UVM

Tuesday April 10, 2018

4:00 TO 6:00

CEDAR CREEK ROOM

STATEHOUSE



ejc Consulting

A Legislative Concierge Service

Providing Information, Education and Communication

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

- Henry Ford

ejc Consulting

6147 VT RTE 116, Starksboro, VT 05487

ejcconsultingvt@gmail.com

802 233 9563