

# LEGISLATIVE UPDATE

April 21, 2017

Issue 15

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## WEEK 15

If the Senate Appropriation's Committee can finish working on the Budget bill today and vote it out of committee Monday the Legislature will be on track for a May 6<sup>th</sup> adjournment, if that does not happen we will be working into the second week of May. Both Senate Finance and Senate Appropriations are working diligently and late into the night to make the May 6<sup>th</sup> adjournment a reality.

As we get closer to that adjournment date the stakes get higher and the intensity increases. You never know what will be the stumbling block.

The other item in play is that Governor Scott continues to say no new taxes or fees.

## MISCELLANEOUS AGRICULTURE BILL

### **H-495** An act relating to miscellaneous agriculture subjects

This bill proposes to amend multiple provisions of law administered by the Agency of Agriculture, Food and Markets.

This bill passed out of the House and moved to the Senate Agriculture committee a couple of weeks ago. The present bill has several new items that were not in the original bill passed by the House. The original bill was mostly a "clean up and clarity" of language for the Agency of Ag. **H-495** passed out of Senate Ag yesterday and is now in Senate Finance. Senate Finance will have to move quickly on this bill to get it back to the House. I would guess that there would be a "conference committee" between the House and Senate because of the major changes that the Senate made to **H-495**. The bill now includes:

\* \* \* Subsurface Tile Drainage \* \* \*

*(b) On or before December 1, 2021, and prior to prefiling of a rule under 3 V.S.A. § 837, the Secretary of Agriculture, Food and Markets shall submit to the Senate Committee on Agriculture and the House Committee on Agriculture and Forestry draft rules amending the required agricultural practices, in order to include requirements for reducing nutrient contribution to waters of the State from subsurface tile drainage. On or before*

*July 1, 2022, the Secretary of Agriculture, Food and Markets shall amend by rule initiate rulemaking to amend the required agricultural practices, in order to include requirements for reducing nutrient contribution to waters of the State from subsurface tile drainage. Upon adoption of requirements for subsurface tile drainage, the Secretary may require an existing subsurface tile drain to comply with the requirements of the RAPs for subsurface tile drainage, upon a determination that compliance is necessary to reduce adverse impacts to water quality from the subsurface tile drain.*

***WORKING LANDS ENTERPRISE BOARD; CRITERIA FOR PRIORITIZING AWARDS***

*On or before January 15, 2018, the Secretary of Agriculture, Food and Markets shall submit to the Senate Committee on Agriculture and the House Committee on Agriculture and Forestry the guidelines that the Working Lands Enterprise Board shall use in prioritizing awards of assistance under 10 V.S.A. § 4607(b)(6).*

*Department of Forests, Parks and Recreation; Water Quality*

*. 14. 10 V.S.A. § 2622a is added to read:  
§ 2622a. WATER QUALITY ASSISTANCE PROGRAM*

*(a) Creation of program. There is established the Water Quality Assistance Program under which the Commissioner of Forests, Parks and Recreation shall provide technical and financial assistance to timber harvesters and others for compliance with water quality requirements in the State. The Commissioner of Forests, Parks and Recreation shall coordinate with natural resources conservation districts in the implementation of the Program.*

*(b) Eligible assistance. Under the Program, the Commissioner of Forests, Parks and Recreation is authorized to expend monies for the following activities in order to facilitate compliance with water quality requirements:*

*(1) Award financial assistance in the form of grants to timber harvesters and others to purchase or construct skidder bridges and other equipment.*

*(2) Purchase premade skidder bridges and other equipment to loan or lease to timber harvesters and others.*

*(3) Purchase available, premade skidder bridges and other equipment and provide those bridges or equipment to cooperating processing plants for sale to timber harvesters and others at cost, subject to storage and handling fees.*

*(4) If premade skidder bridges are not available on the commercial - 1371 - market, issue in a calendar year two requests for proposal for the construction of skidder bridges for delivery to cooperating processing plants for sale to timber harvesters and others at cost, subject to storage and handling fees. The Commissioner shall issue one request for*

*proposal for the northern part of the State and one request for proposal for the southern part of the State.*

*(c) Financial assistance. An applicant for a grant under this section shall pay at least 10 percent of the total cost of the equipment. The dollar amount of a State grant shall be equal to the total cost of the equipment, less 10 percent of the total as paid by the applicant. A grant awarded under this section shall be awarded in accordance with terms and conditions established by the Commissioner.*

*(d) Spill kit. The Commissioner shall provide a person who purchases, constructs, or loans out a skidder bridge under subsection (b) of this section with a spill kit for containing or absorbing fluids released during timber harvesting activities.*

#### *Sec. 15. APPROPRIATIONS*

*Of the capital funds appropriated to the Agency of Natural Resources in FY 2018 for ecosystem restoration and protection, up to \$50,000.00 shall be used by the Department of Forests, Parks and Recreation for implementation of the Water Quality Assistance Program under 10 V.S.A. § 2622a.*

*\* \* \* Forestry Equipment; Sales Tax; Gasoline Tax; Diesel Tax \* \* \* Sec. 16. 23 V.S.A. chapter 28, subchapter 1 is amended to read:*

#### *Subchapter 1: General Gasoline Tax § 3101. DEFINITIONS*

*As used in this chapter: (3) As used in this subchapter, “gasoline or other motor fuel” or “motor fuel” shall not include the following: kerosene, diesel oil clear or undyed diesel “fuel” as defined in section 3002 of this title, “railroad fuel” as defined in section 3002 of this title, aircraft jet fuel, or natural gas in any form. Except for “railroad fuel” taxed under section 3003 of this title, the taxation or exemption from taxation of dyed diesel fuel is not addressed under this title.*

*\*\*\* Sec. 17. 32 V.S.A. § 9741 is amended to read:*

#### *§ 9741. SALES NOT COVERED*

*Retail sales and use of the following **shall be exempt** from the tax on retail sales imposed under section 9771 of this title and the use tax imposed under section 9773 of this title.*

*(7)(A) Sales Except as provided in subdivision (B) of this subdivision (7), sales of:*

*(i) motor fuels taxed or exempted under 23 V.S.A. chapter 28;*

*(ii) dyed diesel used to power machinery described in subdivision (51) of this section;  
and*

*(iii) dyed diesel used to propel a vehicle off the highways of the*

State.

*(B) provided, however, that aviation jet fuel and natural gas used to propel a motor vehicle shall be taxed under this chapter with the proceeds to be allocated to the transportation fund Transportation Fund in accordance with 19 V.S.A.*

*(51) The following machinery, including repair parts, used for timber cutting, timber removal, and processing of timber or other solid wood forest products intended to be sold ultimately at retail: skidders with grapple and cable, feller bunchers, cut-to-length processors, forwarders, delimiters, loader slashers, log loaders, whole-tree chippers, stationary screening systems, and firewood processors, elevators, and screens. The Department of Taxes shall publish guidance relating to the application of this exemption.*

## **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.

This bill passed out of the Senate and is now in the House. The bill is now in House Agriculture and Forestry and House Economic Development. Both committee have discussed this bill and taken testimony but there has been no movement to get it out of either committee. With time running out I am not sure if this will make it this year.

## **FORESTRY FRAGMENTATION**

### **H-233 An act relating to protecting working forests and habitat**

This bill proposes to amend the criteria and jurisdiction of the State land use law, known as Act 250, to protect forest resources in order to support the forest economy, water quality, and habitat.

House Natural Resources Fish and Wildlife will be discussing this bill next week. The committee is on Draft 3.1 of the bill. As I mentioned last week there were changes in the jurisdiction language and "Vermont Conservation Design" was taken out of the bill. The committee will be taking testimony Tuesday afternoon and probably Wednesday on Draft 3.1. If you would like to testify on **H-233** you need to contact:

Laura Bozarth, Committee Assistant  
(802) 828-2266

[lbozarth@leg.state.vt.us](mailto:lbozarth@leg.state.vt.us)

## **ACT 250**

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

In light of the upcoming 50th anniversary of the State land use law, known as Act 250, this bill proposes to create a commission to review and make recommendations on improving the effectiveness and efficiency of the Act as currently implemented in achieving its goals.

**H-424** passed out of Senate Natural Resources today on a vote of 5 to 0. The bill will now go to Senate Appropriations. There still is time for this bill to make it out this session.

## **FROM THE LAKE CHAMPLAIN REGIONAL CHAMBER OF**

### **Paid Family and Medical Leave Bill Moves Forward**

The House Committee on Ways and Means voted out an [amendment](#) creating a state-run paid family leave system that allows for a maximum of six weeks of paid leave at 80% of the employee's weekly wage up to twice the livable wage. Paid leave may be taken for things such as bonding with an infant, the initial placement of a foster child 16 years old or younger, and taking care of a sick relative. Employees must have paid into the system 12 of the past 13 months in order to take benefits. The program will be funded through a 0.141% payroll tax on all employees' wages up to \$150,000 and an employer may elect to pay a portion of the tax on behalf of an employee. This bill will likely go to the House Committee on Appropriations next and is not expected to make it to the Governor's desk this year.

All full time employees, including agricultural, workers would pay into this fund.

### **Independent Contractor Bill Still in Play**

Several legislators on the House Commerce Committee continue to work on possible language defining independent contractors in the hope of moving a bill out of their Committee this year. The Chamber appreciates their work on this important priority and is reviewing their proposal. [Language previously considered](#) by the House Commerce Committee did not adequately clarify when employers should treat a freelance contractor as an employee versus a separate business. Given the complexity of this issue as well as the short time remaining in this year's legislative session, we believe that it makes sense to revisit this issue next year rather than move language forward that could create equal or greater confusion.

Below is the link to the Vermont Legislative website

**Legislature.vermont.gov**

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

– Henry Ford

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