



LEGISLATIVE REPORT

Lake Champlain Regional Chamber of Commerce & GBIC

March 12, 2010 - Week 9



Lake Champlain Regional Chamber of Commerce

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Legislative Report is a weekly update from the legislative team of the Lake Champlain Regional Chamber of Commerce and GBIC.

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The Legislature returned from their Town Meeting Day break to news that they would have even less money to spend than before they left. Secretary of Administration Neale Lunderville announced that state revenues were down \$19 million primarily due to lower than expected personal income tax receipts and larger than expected refunds. Speaker Shap Smith (D-Morrisville) indicated that the House Appropriations Committee is within \$10 million of finishing their budget proposal and that he expects the Legislature to adjourn by the end of April.

The House Ways and Means Committee is putting the finishing touches on the miscellaneous tax bill. They are also considering a tax expenditure bill, which shines light on the various programs that receive tax breaks or exemptions. The bill could raise several million dollars in new revenue by changing exemptions or credits. Of interest to our members are some proposed restrictions on tax increment financing which we oppose. A full report of these bills will appear in next week's report.

The Senate Finance Committee took up S.290, the Unemployment Insurance bill, this week. The bill passed by the Senate Economic Development Committee increases employer contributions to the unemployment insurance fund, changes benefits and creates a new employee tax in order to restore the fund. The Chamber and GBIC support the bill passed by the Senate Economic Development Committee because it restores the unemployment fund quickly while spreading the burden fairly and across employers, employees and the unemployed. Members of the Senate Finance Committee expressed concern with the tax on employees as well as the changes to benefits in the bill.

The Vermont Convention Bureau made a pitch to the House Commerce Committee to consider including funding for the meeting and convention business in their version of the Legislature's Economic Stimulus bill, S.288. VCB Board Chair, Joe Carton of the Courtyard Marriott, and Ronda Berns, Executive Director, described the organization's success in attracting additional visitors and business statewide. The VCB booked 39,000 rooms in the last two years for an estimated economic impact of \$11 million. The rooms and meals tax is one of the few revenue sources that exceeded targets in the last two months. The Committee is expected to wrap up work on the bill this week.

The House gave final passage to H. 647, which deals with Workers' Compensation Misclassification. The bill includes greater penalties for employers who misclassify employees for purposes of workers' compensation or fail to provide workers' compensation insurance coverage. The Senate Economic Development Committee is putting the finishing touches on their workers' compensation misclassification bill. The section of the bill that has garnered the most attention focuses on the Commissioner of Labor's use of a stop work order. The draft bill would require the Commissioner to issue a stop work order if an employer was operating without appropriate workers' compensation insurance. The Department of Labor does not support the measure and has argued for more flexibility should cases arise where a stop work order would create unintended consequences. Many, including the Department, had also hoped to see the bill more clearly define independent contractors but such a definition did not make it into the bill.

The House Natural Resources Committee unveiled a new draft of their renewable energy bill. Last year, the Legislature created a feed-in tariff program that set a standard price for new renewable power generation and capped the power subject to the price at 50 megawatts. The price set for methane produced on farms was significantly higher than what farms that have been producing electricity for years receive. The bill would allow such farms to participate in the feed in tariff program thus obtaining the higher price for their power. The bill also changes the definition of renewable to include large-scale hydroelectric power. This change was included in the hope of influencing the power contract negotiations between Vermont utilities and Hydro Quebec. On Thursday, Governor Douglas announced that Green Mountain Power and Central Vermont Public Service had reached a \$1.5 billion agreement to buy one-third of the state's power from Hydro Quebec over the next 26 years.

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The Senate Natural Resources Committee considered changes to the review process and standards that growth centers must meet. Advocates for these changes wish to simplify the application process and allow growth center decisions to be reconsidered. They also want to limit the size of growth centers and ensure they meet all of the smart growth standards including a requirement for densities within these centers to be at least four residential units per acre. The Chamber and GBIC made the case that existing industrial parks be considered growth centers. The Vermont League of Cities and Towns cited concerns about the size limitations and whether it is appropriate for all towns to meet a density requirement of four units per acre and all of the smart growth criteria.

The Senate Health and Welfare Committee, chaired by Senator Doug Racine (D- Chittenden Co.) is working on a bill that would implement universal, single payer health care coverage in Vermont by 2012. The bill creates a board that is tasked with designing three plans to cover all Vermonters in time for the Legislature to choose one of the designs next session and implement the plan by 2012. The bill requires that each of the three designs provide an affordable, income sensitized plan for sharing the cost of the plan. The draft would also change how hospitals receive payment by instituting global budgets that would cap hospital increases at four percent each year. The House Health Care Committee is also expected to have a major health care reform bill this year. Only an outline of concepts is available at this time and the bill has been exempted from this week's crossover deadline.

The Chamber raised concerns with our Congressional Delegation over a proposal by President Obama that would require companies with 50 or more employees to pay a \$2,000 per employee fee if they do not offer health insurance coverage. The measure is under consideration as part of the larger health care reform debate in Washington.

The House and Senate Education Committees held a public hearing on varying proposals to restructure education governance statewide. Many believe that a top down approach with the state mandating redistricting and larger, bureaucratic supervisory unions is doomed to fail. They question if cost savings would actually be realized and expressed concern over the loss of local control. Finally, the loss of school choice, especially on the part of parents who send their children to private schools was a common concern. Jeff Francis, of the Vermont Superintendents Association, spoke in favor of the House Education Committee's proposal to take a phased approach using incentives in order to create a favorable environment for merging districts. A draft bill championed by Rep. Peter Peltz (D-Woodbury) would encourage districts to move toward unifying through budget incentives rather than mandating change, which a majority of Committee members believe would meet with local resistance. The Chamber and GBIC expressed general support for efforts to encourage redistricting as well as for the appointment of a Secretary of Education by the Governor.

The Senate Education Committee appears divided on a bill that prohibits school from beginning before Labor Day, bill S.209. Some senators do not wish to micro manage local officials and believe schools have the power to change their school calendars. Senator Flory (R-Rutland) expressed the view that the Legislature has the obligation to balance the economic needs of the state with the educational needs and therefore, the change is appropriate. If you support this legislation, please contact your legislator as soon as possible.

The House General, Housing and Military Affairs Committee, chaired by Representative Helen Head (D- So. Burlington) worked on a bill that would make changes to the state's liquor control laws such as allowing hotels in Vermont to provide "minibars" and lessening the restrictions on tastings of alcoholic beverages.

Quick Hits:

H.498, a bill relating to requiring private road maintenance, passed the House and goes onto the Senate.

H. 509 which establishes requirements for agricultural uses, road construction and use of VHCB funds to improve water quality passed out of the House Fish & Wildlife Committee.

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