



VPA LEGISLATIVE UPDATE #9

March 31, 2009

Planned Adjournment Date: May 8, 2009!

Vermont Recovery and Reinvestment Act Of 2009

The Senate's omnibus economic stimulus bill – now entitled the “Vermont Recovery and Reinvestment Act of 2009” (S.137) – was finally voted out of committee late last Thursday, but has yet to formally be taken up in the Senate. As introduced, the 183-page bill includes 51 separate sections, several of which will impact Act 250 and municipal land use regulation – including the regulation of telecommunication facilities (pp. 56–72) as reported last week. The bill is available online at <http://www.leg.state.vt.us/DOCS/2010/BILLS/INTRO/S-137.PDF>. A section outline and corresponding page numbers (with those of particular interest highlighted) is presented below:

- Opportunity Zones: Pilot Project (Springfield) (1–6)
- **Green Growth Zones: Two Pilot Projects (6–15)**
- **Downtown and Village Center Program Tax Credits (44–45)**
- **Wireless Permitting: Certificates of Public Good (56–67)**
- **Wireless Permitting: Act 250 and Municipal Regulation (67–72)**
- **Act 250, Other Permitting, and Federal Stimulus (89–95)**
- **Legislative Priorities for Stimulus (95–100)**
- Stimulus Funds: Legislative Oversight and Transparency (100–102)
- Federal Stimulus and SBA Loan Programs (102–103)
- RFPs for Cloud-Computing E-mail Systems (103)
- Clean Energy Development Fund: Board; Fund Administrator (103–111)
- Film Tax Credit (112–118)
- Sales Tax Holiday (118–119)
- Tax-Credit Bond Financing for Schools (120)
- **Transportation: Necessity/Condemnation Proceedings (120–131)**
- Stimulus Reimbursement for Utility Relocations (131–132)
- School Construction Aid (132–133)
- **Tax Increment Financing (133–138)**
- Entrepreneurial Manifesto (138)
- Entrepreneurs' Seed Capital Fund (139–151)
- Licensed Lender Laws (152)
- Clean Energy Development Fund (152–155)
- Technology Loan Program (155–156)
- Wage Threshold for VEGI Program (156–157)
- Sustainable Jobs Fund: Loss Reserves (157)
- Minimum Wage: Negative CPI (157–160)
- Stimulus Money and Unemployment Insurance (160–161)
- Workers' Compensation State Contracts and Emergency Rules (162–164)
- Prejudgment Interest (164–165)
- Farm to Plate (166–170)
- VHFA: Moral Obligation for Pledged Equity Funds (170–178)
- **Municipal Revenue Bonds (178–180)**
- Research and Development Tax Credit (180–181)
- Town Burials (181–183)
- Effective Date (on passage) (183)

Governor Launches “SmartVermont”

Last Thursday, amid the outcry over his stated intent to veto a gay marriage bill, the Governor took time during his press conference to introduce “SmartVermont” – his plan to use \$17.1 million in ARRA stabilization funds to extend broadband infrastructure statewide and to support business development, largely through programs run through the Vermont Economic Development Authority. While at odds with many of the Legislature's spending priorities, Senator Vince Illuzzi noted in Friday's *Times Argus* that the Governor's proposal to a large extent dovetailed with his committee's work (highlighted above) and “it appears that our proposals are moving in the same direction.” A summary of the Governor's SmartVermont proposal is available at: http://governor.vermont.gov/priorities/SmartVermont_Backgrounder_032609.pdf.

Initial FY2010 Budgets this Week

Initial House committee work on big money bills should be finished this week. The transportation bill (H.438), voted out of committee last week, has been referred to House Ways & Means and

House Appropriations; House Transportation is now considering amendments to the bill. The transportation bill as introduced includes the Legislature's transportation infrastructure bonding proposal, funded through a 5-cent increase in gasoline and diesel fuel taxes. It also includes sections on ARRA funds (p.20), an indexed fuel tax, enhancement grants, and design and build contracts. It repeals existing statutory requirements to incorporate regional plan transportation elements in state public transit plans, substituting new requirements for consultation with the MPO, RPCs and TACs in the development of state plans, and annual consultations with regional planning commissions and service providers in advance of awarding available planning funds (p. 51).

House Appropriations was expected to finish their markup of the FY2010 budget for a committee vote on Monday. They spent much of last week trying to figure out how to close an estimated budget gap of \$200 million out of a roughly \$1.2 billion budget for the coming year – using stimulus funds, budget cuts, and new taxes. Their budget is expected to incorporate \$24 million in new revenues and an additional \$28 million in cuts – half of which will come from job, pay and benefit reductions, and the other half from programs.

House Ways and Means, charged with deciding how to raise \$24 million in new revenues, is supporting an income tax surcharge, largely on wealthier individuals, that would sunset after three or four years. Senator Bartlett, Chair of Senate Appropriations, met with the committee last week to present a list of proposed cuts needed in the absence of additional revenues. On the list: closing all rest areas, fish hatcheries, historic sites and a prison, reducing court and DMV days, suspending mentoring and scholarship programs, eliminating funding for all cultural organizations, reducing funds for Lake Champlain cleanup and cutting services to the elderly and disabled. The Administration called this a scare tactic, but once again reiterated its intent to oppose new taxes. House Speaker Smith countered that the Governor's proposal to transfer education-related expenses from the general to the education fund – which would instead raise property taxes – is a nonstarter in the legislature – leaving them with the option of cutting vital services or raising revenues.

Senator Bartlett also noted last week that the final FY2010 budget will depend in part on updated revenue projections, due out on April 24th or 25th. She indicated that by then the budget bill should be in conference committee, and it would be up to the committee to address and incorporate revised revenue projections.

The FY10 capital bill is scheduled for final markup and vote in House Corrections and Institutions on Tuesday. Full days of floor time are scheduled on Thursday and Friday. On the other side of the building, Senate Appropriations is already at work on the budget – they are scheduled to hear from ACCD staff on Monday, VANR staff on Tuesday, and VHCB on Thursday.

Bills on the Move:

- S.18 “Clothesline bill” (regs cannot prohibit, or have effect of prohibiting renewable energy devices) – passed Senate on Tuesday, referred to House Natural Resources & Energy
- S.28 Landscape architect licensing – scheduled for second reading in the Senate on Tuesday
- S.47 Salvage yards – passed Senate last Friday, not yet referred to committee in House
- S.54 Clean energy assessment districts – voted out of committee (6-1-0), on notice calendar
- S.99 Smart Growth Committee (Act 250) bill – action calendar, third reading, vote on Tuesday (postponed from last week).
- H.436 VT Yankee decommissioning bill – passed House on Tuesday, 93-46 roll call vote

This Week at the State House

(<http://www.leg.state.vt.us/schedule/schedule2.cfm> – schedules are subject to change without notice)

House Fish, Wildlife and Water Resources will be taking testimony from realtors and homebuilders on Tuesday, and VNRC, VLCT, VTrans and other groups on Wednesday, regarding their wetlands protection bill (H.324). Senate Natural Resources & Energy is taking up the Senate's economic recovery bill (S.137) all this week; while their counterparts in the House continue working on a draft renewable energy bill. ACCD reorganization will be the focus of scheduled testimony before Senate Government Operations on Thursday (9:00 am). Senate Transportation will be taking up the transportation bill (H.438) on Wednesday.

Bills Introduced:

(<http://www.leg.state.vt.us/database/database2.cfm>)

Bills "released for introduction": House – 439, Senate–135. Of note:

H.436 Decommissioning bill (VT Yankee)

H.438 Transportation bill

S.137 Vermont Recovery & Reinvestment Act

Bills Passed by the House:

H.15 Aquatic nuisance control

H.436 VT Yankee decommissioning

Bills Passed by the Senate:

S.18 Clothesline bill (renewable energy devices)

S.47 Salvage yards

S.115 Civil marriage

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