

## 2019 Vermont Legislative Summary

Updated June 19, 2019

The **2019 Vermont Legislative Session is over**. This year **734 bills were introduced**. Less than 100 of them passed both the House and Senate.

The current 2-cent per gallon tax on heating oil, propane, kerosene, and dyed diesel is here to stay. Legislation to **reauthorize the Fuel Tax** another five years (until 2024) is now law. VFDA successfully fought back attempts to double the tax to 4-cents a gallon and put a stop to efforts that would have banned fuel dealers from itemizing the tax. The only change in the law is that non-profits, schools, local and state governments will no longer be exempt. ***This change goes into effect on July 1, 2019***. Eliminating these exemptions **adds another \$425,000** for the low income weatherization program.

The Vermont Public Utility Commission will be required to open a proceeding to create an **“All Fuels” efficiency program**. They will be asked to figure out how to create yet another program to convince Vermonters to stop using oil gas. They will also discuss who should pay for it.

Efficiency Vermont will get more money to encourage people to **weatherize their homes**. The utility **can spend up to \$2.25 million** in leftover money from the electric efficiency fund. The carryover cash can be spent on thermal energy efficiency, but not on electric heating. VFDA argued that electric ratepayer money should not be used to increase electricity consumption. Lawmakers also transferred \$350,000 from the general fund to Efficiency Vermont to provide even more incentives to weatherize. Efficiency Vermont has a budget of approximately \$60 million dollars. More than 80% of their funding comes from a charge on Vermonter’s electric bill.

Vermont will join New York, California and Hawaii in banning plastic bags. Governor Scott has signaled that he will sign legislation **prohibiting single use plastic grocery bags** and styrofoam carryout containers. Restaurants and other establishments can only provide plastic straws by customer request. **The ban will take effect on July 1, 2020**.

Vermonters that sell their business could face a bigger tax bill. Governor Scott has signed legislation that limits the **exemption on the capital gains tax**. While business owners can now exempt up to 40% of their capital gains, this will be capped at \$350,000 as of July 1, 2019.

Vermont has joined thirteen other states (Arkansas, California, Delaware, Hawaii, Illinois, Maine, Maryland, Massachusetts, New Jersey, Oregon, Utah, Virginia, and Washington) that have **raised the tobacco sale age to 21**. The increased age limit takes effect on September 1, 2019.

Lawmakers set aside \$2 million for incentives for low income Vermonters to purchase **low emission vehicles**. Electric vehicles will get the most of the money, but incentives will also be available for cars that get 40 miles per gallon or better. Owners of electric vehicles will soon have **more places to fill up**. The state recently handed out \$400k in grants to install electric vehicle charging stations. There is also \$500k for **electric**

**vehicles and charging stations** for the state's fleet. The budget also provides funding for rebates (up to \$2500) to repair cars owned by low income Vermonters. Vehicles that are 16 years or older will now be exempt from emissions inspection.

Standard form contracts with “**unconscionable terms**” will be prohibited in Vermont as of October 1, 2020. While standard form contracts are allowed, specific provisions are banned. The legislation this year was enacted into law without the Governor's signature.

### ***Here is what didn't happen.***

A majority of lawmakers wanted **minimum wage** to be \$15 an hour. A majority also voted for a payroll tax to fund a **paid leave program**. But the bills that passed the House and the Senate were slightly different and the two sides could not agree on the details in the final hours of the 2019 legislative session. So after months of work, they went home with nothing. Expect both issues to be back in 2020.

Dozens bills seeking to **eliminate fossil fuels** were introduced this year, but most never received a formal vote. The effort to increase the cost of energy sold in Vermont with a carbon tax **will not become law in 2019**. Neither will a **ban on fossil fuel infrastructure** that would have put an end to any new pipelines or bulk storage tanks.

Governor Phil Scott has vetoed legislation that would create legal and insurance nightmare for most Vermont companies that sell, store or transport hazardous materials such as fuel. Under legislation that passed both the House and Senate, businesses **could be held liable for medical monitoring costs** even if an alleged exposure to a spill is not likely to result in any medical problems. The legislation also **guarantees attorney fees** for successful plaintiffs, encouraging nuisance lawsuits. The bill will not become law this year, thanks to the Governor's veto. Similar legislation will likely be back in 2020.

*VFDA's legislative team is here for Vermont's fuel industry. If you have a question about any legislative or regulatory issue, contact Executive Director Matt Cota at 802-223-7750 ext. 1 or [matt@vermontfuel.com](mailto:matt@vermontfuel.com).*