

1 TO THE HONORABLE SENATE:

2 The Committee on Finance to which was referred House Bill No. 877
3 entitled “An act relating to transportation funding” respectfully reports that it
4 has considered the same and recommends that the Senate propose to the House
5 that the bill be amended as follows:

6 First: In Sec. 1, 23 V.S.A. § 3003(e), by striking out “~~less one percent for~~
7 ~~shrinkage, loss by evaporation, or otherwise,~~” and inserting in lieu thereof the
8 following: less ~~one~~ 0.5 percent for shrinkage, loss by evaporation, or
9 otherwise,

10 Second: In Sec. 2, 23 V.S.A. § 3015, in subdivision (2), in the third
11 sentence, by striking out “~~less one percent for shrinkage, loss by evaporation or~~
12 ~~otherwise,~~” and inserting in lieu thereof the following: less ~~one~~ 0.5 percent for
13 shrinkage, loss by evaporation, or otherwise,”

14 Third: In Sec. 3, 23 V.S.A. § 3107, by striking out “~~less one percent for~~
15 ~~shrinkage, loss by evaporation, or otherwise,~~” and inserting in lieu thereof the
16 following: less ~~one~~ 0.5 percent for shrinkage, loss by evaporation, or
17 otherwise,

1 **Two Proposed Options Amending Purchase & Use Cap for Heavy Trucks**

2 **First option: remove cap for pickup trucks/noncommercial vehicles**

3 Fourth: In Sec. 4, 32 V.S.A. § 8903 (purchase and use tax cap), by striking
4 out subdivision (a)(2) (purchase tax cap) in its entirety, and inserting in lieu
5 thereof the following:

6 (2) For any other motor vehicle that is used primarily for commercial or
7 trade purposes, it shall be six percent of the taxable cost of the motor vehicle or
8 ~~\$1,850.00~~ \$2,075.00 for each motor vehicle, whichever is smaller, ~~except that~~
9 ~~pleasure.~~ Pleasure cars which are purchased, leased, or otherwise acquired for
10 use in short-term rentals shall be subject to taxation under subsection (d) of this
11 section.

12 Fifth: In Sec. 4, 32 V.S.A. § 8903 (purchase and use tax cap), by striking
13 out subdivision (b)(2) (use tax cap) in its entirety, and inserting in lieu thereof
14 the following:

15 (2) For any other motor vehicle that is used primarily for commercial or
16 trade purposes, it shall be six percent of the taxable cost of ~~a~~ the motor vehicle,
17 or ~~\$1,850.00~~ \$2,075.00 for each motor vehicle, whichever is smaller, by a
18 person at the time of first registering or transferring a registration to such
19 motor vehicle payable as hereinafter provided, ~~except no.~~ No use tax shall be
20 payable hereunder if the tax imposed by subsection (a) of this section has been
21 paid, or the vehicle is a pleasure car which was purchased, leased, or otherwise

1 acquired for use in short-term rentals, in which case the vehicle shall be subject
2 to taxation under subsection (d) of this section.

3 **Second Option: remove cap altogether**

4 Fourth: In Sec. 4, 32 V.S.A. § 8903 (purchase and use tax cap), by striking
5 out subdivision (a)(2) (purchase tax cap) in its entirety, and inserting in lieu
6 thereof the following:

7 (2) For any other motor vehicle, it shall be six percent of the taxable cost
8 of the motor vehicle ~~or \$1,850.00 for each motor vehicle, whichever is smaller,~~
9 except that pleasure cars which are purchased, leased, or otherwise acquired
10 for use in short-term rentals shall be subject to taxation under subsection (d) of
11 this section.

12 Fifth: In Sec. 4, 32 V.S.A. § 8903 (purchase and use tax cap), by striking
13 out subdivision (b)(2) (use tax cap) in its entirety, and inserting in lieu thereof
14 the following:

15 (2) For any other motor vehicle, it shall be six percent of the taxable cost
16 of a the motor vehicle, ~~or \$1,850.00 for each motor vehicle, whichever is~~
17 ~~smaller,~~ by a person at the time of first registering or transferring a registration
18 to such motor vehicle payable as hereinafter provided, ~~except no.~~ No use tax
19 shall be payable hereunder if the tax imposed by subsection (a) of this section
20 has been paid, or the vehicle is a pleasure car which was purchased, leased, or

1 otherwise acquired for use in short-term rentals, in which case the vehicle shall
2 be subject to taxation under subsection (d) of this section.

3 Sixth: In Sec. 8, 23 V.S.A. § 304, in subdivision (b)(1), after “upon
4 payment of an annual fee of ~~\$45.00~~” by striking out “\$50.00” and inserting in
5 lieu thereof \$48.00

6 Seventh: By striking out Sec. 14, 23 V.S.A. § 361, in its entirety and
7 inserting in lieu thereof the following:

8 Sec. 14. 23 V.S.A. § 361 is amended to read:

9 § 361. PLEASURE CARS

10 The annual fee for registration of any motor vehicle of the pleasure car type,
11 ~~and all vehicles powered by electricity,~~ shall be ~~\$69.00~~ \$74.00, and the
12 biennial fee shall be ~~\$127.00~~ \$136.00.

13 Eighth: After Sec. 14, by adding a Sec. 14a to read as follows:

14 Sec. 14a. 23 V.S.A. § 361a is added to read:

15 § 361a. HYBRID AND ELECTRIC-POWERED PLEASURE CARS

16 (a) As used in this section:

17 (1) “Electric vehicle” means a vehicle that is powered solely by an
18 electric motor drawing current from a rechargeable energy storage system,
19 such as storage batteries or other portable electrical energy storage devices,
20 including hydrogen fuel cells, provided that:

1 (A) the vehicle is capable of drawing recharge energy from a source
2 off the vehicle, such as residential electric service; and

3 (B) the vehicle does not have an onboard combustion engine or
4 generator system as a means of providing electrical energy.

5 (2) “Hybrid vehicle” means a motor vehicle that draws propulsion
6 energy from onboard sources of stored energy that are both an internal
7 combustion engine or heat engine using consumable fuel and a rechargeable
8 energy storage system such as a battery, capacitor, hydraulic accumulator, or
9 flywheel. This includes a plug-in hybrid electric vehicle (PHEV) that is
10 capable of recharging its battery from an off-vehicle electric source, such that
11 the off-vehicle source cannot be connected to the vehicle while the vehicle is in
12 motion.

13 (b) The annual fee for registration of any electric vehicle shall be \$114.00,
14 and the biennial fee shall be \$210.00.

15 (c) The annual fee for registration of any hybrid vehicle shall be \$94.00,
16 and the biennial fee shall be \$173.00.

17 Ninth: In Sec. 15, by striking out “\$45,000.00” and inserting in lieu thereof
18 \$55,320.00

19 Tenth: In Sec. 33, 23 V.S.A. § 517, in the second sentence, after “payment
20 of a”, by striking out “\$25.00” and inserting in lieu thereof \$6.00

1 Eleventh: In Sec. 42, 23 V.S.A. § 1392, in subdivision (14)(C), in the last
2 sentence, after “The permit fee shall be ~~\$10.00~~”, by striking out “\$13.00” and
3 inserting in lieu thereof \$15.00

4 Twelfth: In Sec. 42, 23 V.S.A. § 1392, in subdivision (14)(D), in the last
5 sentence, after “The permit fee shall be ~~\$10.00~~”, by striking out “\$13.00” and
6 inserting in lieu thereof \$15.00

7 **Proposal by Senator MacDonald**

8 Thirteenth: After Sec. 36, 23 V.S.A. § 617, by inserting a Sec. 36a to read
9 as follows:

10 Sec. 36a. ANATOMICAL GIFT; OPERATORS’ LICENSES; REPORT

11 On or before October 15, 2016, the Commissioner of Motor Vehicles shall
12 submit a report to the House Committee on Ways and Means, the Senate
13 Committee on Finance, and the House and Senate Committees on
14 Transportation on the number of persons who have authorized an anatomical
15 gift at the time of issuance of a driver’s license or nondriver identification card
16 pursuant to 18 V.S.A. § 5250e. This report shall include a proposal for
17 implementing in a manner that would have a revenue-neutral result a discount
18 on the license and identification card fees owed under 23 V.S.A. § 115 and 23
19 V.S.A. chapter 9 for persons who have authorized an anatomical gift.

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Proposal by Senator Ashe

Fourteenth: After Sec. 56, 3 V.S.A. § 2822(m)(1), by inserting a reader assistance and a Sec. 56a to read as follows:

* * * Traffic Violations; Setoff of Court Judgments; Reciprocity * * *

Sec. 56a. 32 V.S.A. § 5941 is amended to read:

§ 5941. PROCEDURE FOR SETOFF OF COURT JUDGMENTS

(a) The Court shall include in any judgment a notice that any unpaid amount of a fine, penalty, surcharge, or fee, but not damages, may be certified to the Department for a setoff on the judgment debtor's income tax refund and property tax adjustment under chapter 154 of this title, ~~and the~~ or may be certified to a tax officer of another state for a setoff on any tax refund owed to the judgment debtor in that state pursuant to subsection (f) of this section. The notice shall also explain how the judgment debtor may challenge the certification.

(b) Sections 5934(c) and 5936 of this title, relating to the procedure for contesting the debt, shall not apply to a court seeking setoff from a judgment debtor under this subchapter.

(c) Notwithstanding section 502 of this title, the Department may assess against the judgment debtor a collection assistance fee in an amount established pursuant to section 5938 of this title.

1 (d) If a judgment debtor identified by the Court clerk is entitled to a refund,
2 the Department shall retain the collection assistance fee and then transfer to the
3 Court in which the judgment was issued an amount equal to the refund owed or
4 the amount unpaid, whichever is less.

5 (e) The Court Administrator may contract with one or more collection
6 agencies to serve as a claimant agency on behalf of a court for purposes of this
7 subchapter.

8 (f)(1) Upon request to the Commissioner by the appropriate state officer of
9 another state who has authority to collect traffic violation judgments, and
10 certification that a judgment debtor owes any unpaid amount on a fine, penalty,
11 surcharge, or fee, but not damages, relating to a traffic violation, the
12 Commissioner may set off any tax refund that it owes to the judgment debtor
13 against the amount of the unpaid judgment relating to a traffic violation, and
14 pay that amount to the requesting state officer in another state.

15 (2) The Commissioner shall not set off any unpaid judgment relating to
16 a traffic violation unless the laws of the requesting state allow the
17 Commissioner, in cases where the judgment debtor owes an unpaid judgment
18 relating to a traffic violation to this State, to certify that the unpaid judgment is
19 owed, and to request a tax officer of the requesting state to set off any tax
20 refund owed to the judgment debtor, and pay that amount to this State.

