Journal of the House

Special Session

Tuesday, June 19, 2018

At ten o'clock in the forenoon the Speaker called the House to order.

Devotional Exercises

A moment of silence was observed in lieu of devotions.

Pledge of Allegiance

The pledge of allegiance was conducted by the Speaker.

Message from the Senate No. 3

SPECIAL SESSION

A message was received from the Senate by Mr. Marshall, its Assistant Secretary, as follows:

Madam Speaker:

I am directed to inform the House that:

The Senate has on its part passed Senate bills of the following titles:

- **S. 4.** An act relating to miscellaneous judiciary procedures.
- **S. 5.** An act relating to the mitigation of systemic racism.
- **S. 6.** An act relating to short-term rentals.

In the passage of which the concurrence of the House is requested.

The Senate has considered bills originating in the House of the following titles:

- **H. 7.** An act relating to creating the Department of Liquor and Lottery and the Board of Liquor and Lottery.
 - **H. 8.** An act relating to boards and commissions.
 - **H. 9.** An act relating to the fair repair of consumer electronic devices.
 - **H. 10.** An act relating to transportation network companies.
- **H. 13.** An act relating to making appropriations for the support of government.

And has passed the same in concurrence.

Senate Bills Referred

Senate bills of the following titles were severally taken up, read the first time and referred as follows:

S. 4

Senate bill, entitled

An act relating to miscellaneous judiciary procedures;

To the committee on Judiciary.

S. 5

Senate bill, entitled

An act relating to the mitigation of systemic racism;

To the committee on Government Operations.

S. 6

Senate bill, entitled

An act relating to short-term rentals;

To the committee on General, Housing, and Military Affairs.

Message from the Senate No. 4

SPECIAL SESSION

A message was received from the Senate by Mr. Marshall, its Assistant Secretary, as follows:

Madam Speaker:

I am directed to inform the House that:

The Senate has considered House proposal of amendment to Senate bill of the following title:

S. 1. An act relating to co-payment limits for chiropractic care and physical therapy.

And has concurred therein.

The Senate has on its part adopted concurrent resolution originating in the House of the following title:

H.C.R. 1. House concurrent resolution in memory of Valley Voice publisher Cheryl N. White of Bridport.

Message from the Governor

A message was received from His Excellency, the Governor, by Mr. Louis Porter, Secretary of Civil and Military Affairs, as follows:

Mr. Speaker:

I am directed by the Governor to inform the House of Representatives that on the fourteenth day of June, 2018,, he returned without signature and *vetoed* a bill originating in the House of Representatives of the following title:

H. 13 An act relating to making appropriations for the support of government

Governor's Veto Letter

"June 14, 2018

The Honorable William M. MaGill Clerk of the Vermont House of Representatives 115 State Street Montpelier, VT 05633 Dear Mr. MaGill

I appreciate that the new budget sets the homestead "yield" at the current level, and that some effort was made to separate the remaining areas of disagreement from the budget. I also appreciate that several amendments to H.13, though they were not adopted, were introduced by both Democrats and Republicans in the House and Senate. These amendments, if they had passed, would have either removed a \$23 million tax rate increase set to occur on July 1st or set the non-residential rate for fiscal year 2019 at the current level. Either of these approaches could lead to a reasonable and timely compromise.

As you know, as a matter of principle, I believe Vermonters deserve a break and the opportunity to keep more of what they earn. I also believe employers need a more stable and predictable environment in which they can invest, grow and create more good jobs. I understand, and respect, not everyone in the Legislature shares this point of view.

Nevertheless, our large and growing surplus (\$55.5 million since the January 2018 consensus forecast), combined with other unanticipated revenue, allows us to craft a budget and tax bill that fully funds school budgets, keeps statewide property tax rates level and makes a significant payment towards the unfunded teachers' retirement debt.

Unfortunately, as the Administration and others have noted, H.13 leaves in place an automatic \$23 million (5.5 cent) property tax rate increase on non-residential payers – our rental property owners and renters, camp owners, and employers.

Without a commitment from legislative leaders that we can achieve level

property tax rates, or an amendment that would prevent the automatic 5.5 cent property tax rate increase on non-residential payers, I cannot support H.13. As a result, pursuant to Chapter II, Section 11 of the Vermont Constitution, I am returning H.13, *An act relating to making appropriations for the support of government*, without my signature because of my objections described herein.

As noted, I do understand that many members of the Legislature do not share my view on avoiding tax increases. If the Legislature does not agree with my reasoning, the Constitution provides a mechanism – a veto override vote – to resolve the disagreement.

If my decision is sustained, there is ample time for the Legislature to work with the Administration to pass a budget and tax bill I can support.

One easy solution to resolve the budget debate would be to send me a new bill that prevents the automatic increase in the non-residential rate. This would ensure we have a budget in place long before July 1 and require us to work together, on a level playing field, to resolve our remaining differences in the tax bill.

It is important for Vermonters to know that there are many other options available to the Legislature to ensure government operations are not, in anyway, impacted by our discussions. As I have said many times, I do not want to see any disruption in government services, and I believe the Legislature shares this goal as well.

For this reason, I have directed my Administration to proceed with the full expectation that state government will be entirely operational on July 1st. Here is why:

First, our area of disagreement is very small and given our \$55 million surplus, which is expected to continue to grow, we do not need to increase statewide property tax rates to fully fund school budgets or reduce the debt in the teachers' retirement system.

Second, we have plenty of time to come to agreement well in advance of July 1st. I'm confident with more focus – and an earnest commitment to meet in open session to discuss how we come to agreement – we can resolve the one remaining area of disagreement in a short amount of time.

So, as I have noted above, my Administration will proceed with the full expectation that state government will be fully funded on July 1st, unless the Legislature decides otherwise.

We are four weeks into the Special Session, and I remain ready to work with the Legislature to achieve a consensus that will fully fund school budgets and strengthen our education system without raising property taxes in a year of unprecedented surplus and unexpected revenue.

I have directed my staff to make meetings with the Legislature our top priority and we will make ourselves available to them every day, and every night if necessary, to reach a resolution on this important matter.

Sincerely,

Philip B. Scott

Governor"

Recess

At ten o'clock and six minutes in the forenoon, the Speaker declared a recess until one o'clock in the afternoon.

At one o'clock and ten minutes in the afternoon, the Speaker called the House to order.

House Resolution Adopted

H.R. 2

House resolution, entitled

House resolution recognizing and respecting the continuing professionalism and unbiased work of the Legislative Joint Fiscal Office

Offered by: Representatives Stevens of Waterbury, Donahue of Northfield, and Haas of Rochester

Whereas, the Joint Fiscal Committee's staff, known as the Joint Fiscal Office, offers its fiscal analytical services with equality and equity and without partisan bias to all members and committees of the General Assembly, and

Whereas, for over four decades, the fiscal analyses of the Joint Fiscal Office have provided the General Assembly with the best available facts and figures that are based on the highest professional standards, and

Whereas, these documents help determine the fiscal viability of public policies that the General Assembly is developing on behalf of all Vermonters, and

Whereas, the staff members employed in the Joint Fiscal Office take great pride in providing nonbiased information, and they are fiscal analysts whose work represents a consistency and continuity based on long-term employment histories that have spanned changes in the leadership of the General Assembly and the Joint Fiscal Committee, and

Whereas, the General Assembly is most fortunate to have a fiscal research support operation for which institutional integrity is paramount, now

therefore be it

Resolved by the House of Representatives:

That this legislative body recognizes and respects the continuing professionalism and unbiased work of the Legislative Joint Fiscal Office, and be it further

<u>Resolved</u>: That the Clerk of the House be directed to send a copy of this resolution to the Joint Fiscal Office and to Governor Philip B. Scott

Which was read and adopted.

Governor's Veto Sustained

H. 13

House bill, entitled

An act relating to making appropriations for the support of government Appearing on the Calendar for action, was taken up.

Pursuant to Chapter 2, Section 11, of the Vermont Constitution the Clerk proceeded to call the roll and the question, Shall the bill pass the failure of the Governor to approve notwithstanding?

The Clerk proceeded to call the roll and the question, Shall the bill pass the failure of the Governor to sign not withstanding? was decided in the negative. Yeas, 90. Nays, 51. A two thirds vote of 94 required to pass the bill.

Those who voted in the affirmative are:

Grad of Moretown
Haas of Rochester
Head of South Burlington
Hill of Wolcott
Hooper of Montpelier
Hooper of Randolph
Houghton of Essex
Howard of Rutland City
Jessup of Middlesex
Jickling of Randolph
Johnson of South Hero
Joseph of North Hero
Keenan of St. Albans City
Kimbell of Woodstock
Kitzmiller of Montpelier
Krowinski of Burlington *
Lanpher of Vergennes
Lippert of Hinesburg
Long of Newfane
Lucke of Hartford

Pajala of Londonderry Partridge of Windham Poirier of Barre City Potter of Clarendon Pugh of South Burlington Rachelson of Burlington Read of Fayston Scheu of Middlebury Sharpe of Bristol Sheldon of Middlebury Sibilia of Dover * Squirrell of Underhill Stevens of Waterbury Sullivan of Dorset * Sullivan of Burlington Taylor of Colchester Till of Jericho * Toleno of Brattleboro Toll of Danville * Townsend of South

Dakin of Colchester
Deen of Westminster
Donovan of Burlington
Dunn of Essex
Emmons of Springfield
Fields of Bennington
Forguites of Springfield
Gannon of Wilmington
Gardner of Richmond
Giambatista of Essex
Gonzalez of Winooski

Macaig of Williston
Masland of Thetford
McCormack of Burlington
McCullough of Williston
Miller of Shaftsbury
Morris of Bennington
Mrowicki of Putney
Murphy of Fairfax
Noyes of Wolcott
Ode of Burlington
O'Sullivan of Burlington

Burlington
Trieber of Rockingham
Troiano of Stannard
Walz of Barre City
Webb of Shelburne
Weed of Enosburgh
Wood of Waterbury *
Yacovone of Morristown
Yantachka of Charlotte *
Young of Glover

Those who voted in the negative are:

Ainsworth of Royalton Bancroft of Westford Baser of Bristol Batchelor of Derby Beck of St. Johnsbury Beyor of Highgate Brennan of Colchester Burditt of West Rutland Canfield of Fair Haven Cupoli of Rutland City Devereux of Mount Holly Donahue of Northfield * Fagan of Rutland City Feltus of Lvndon Frenier of Chelsea Gage of Rutland City Gamache of Swanton

Graham of Williamstown Harrison of Chittenden Hebert of Vernon Helm of Fair Haven Higley of Lowell Juskiewicz of Cambridge Keefe of Manchester LaClair of Barre Town Lawrence of Lyndon Lefebvre of Newark Lewis of Berlin Marcotte of Coventry Martel of Waterford Mattos of Milton McCov of Poultney McFaun of Barre Town Morrissey of Bennington

Myers of Essex Nolan of Morristown Norris of Shoreham **Ouimby of Concord** Rosenquist of Georgia Savage of Swanton Scheuermann of Stowe Shaw of Pittsford Smith of Derby Smith of New Haven Strong of Albany Terenzini of Rutland Town Turner of Milton * Van Wyck of Ferrisburgh Viens of Newport City Willhoit of St. Johnsbury * Wright of Burlington *

Those members absent with leave of the House and not voting are:

Buckholz of Hartford Carr of Brandon Chesnut-Tangerman of Middletown Springs Condon of Colchester Dickinson of St. Albans Town

Lalonde of South Burlington

Parent of St. Albans Town Pearce of Richford Stuart of Brattleboro

Rep. Ancel of Calais explained her vote as follows:

"Madam Speaker:

H.13 reduces Vermonters taxes by almost \$30 million. It increases the social security exemption, it increases the Earned Income Tax Credit and it reduces tax rates for everyone. H13 does not, and I emphasize not, address the non-residential property tax rate in any way. In fact, there is nothing in this bill that the Governor has said he opposes. I am proud to support it."

Rep. Donahue of Northfield explained her vote as follows:

"Madam Speaker:

Yelling fire in a crowded theater is not protected speech if there is no fire because people can get trampled and hurt. There is no fire here if we address the underlying tax dispute, instead of diverting the focus into a new debate on what the default tax rate should be if there is no compromise reached by July 1. If we truly believe there is a fire – and now, having wasted two weeks, we are closer to it becoming real – we could put that fire out today by passing this identical bill but removing a non-residential tax rate altogether. It is that easy to resolve in a completely neutral way. Either way, we need to get past this red herring so that the leadership of our state – on all sides – can get down to the real business at hand to resolve the actual areas in dispute."

Rep. Krowinski of Burlington explained her vote as follows:

"Madam Speaker:

I voted yes to keep government open. It's extremely frustrating to know we could have resolved this today. I will keep fighting to ensure Vermonters get the critical services they deserve."

Rep Sibilia of Dover explained her vote as follows:

"Madam Speaker:

Vermont is undergoing massive education transformation through Act 46. Last year and this year we have pushed forward additional MAJOR reforms in special ed, weighting and considerations for teachers healthcare being negotiated at the state level. These are significant, difficult and cost containing state policy changes being implemented at the local level. I can not and will not willingly vote to undermine the work going on by communities and school districts by supporting a built in tax increase next year that will have absolutely nothing to do with educating Vermont's students as the Governor has proposed. This is what is holding up passing a state budget

Rep. Sullivan of Dorset explained her vote as follows:

"Madam Speaker:

I voted today to override Governor Scott's veto of our budget.

I am not moved to so vote because it is a good bill. I do not think it to be a good bill in its current form.

I am moved only to avoid a Government shutdown – one that I fear will erode public confidence in our government and our Legislature. A shutdown that will unnecessarily hurt Vermonters. A shutdown that would occur without anyone coming forward with a solid explanation that identifies the plan that would be in place should such a monumental feat as a shutdown occur.

I underscore the word 'unnecessarily.'

I know compromise could have been achieved. In my opinion, a compromise was not vigorously pursued. I thank both the Governor and the Speaker for their meetings with me and other Representatives individually to weigh in on recommended proposals that moved closer to compromise.

I am, however, constrained in the best interests of my constituents to vote reluctantly to override Governor's Scott's veto."

Rep. Till of Jericho explained his vote as follows:

"Madam Speaker:

I voted yes. H.13 incorporates a budget that passed this body with tripartisan support. A budget which increased less than the budgetary increase proposed by the Governor. H.13 holds homestead property taxes unchanged. It reflects the good work of our school boards holding statewide school budget increases to 1.7%, well below what the Governor had requested. H.13 prevents a shutdown of state government with all the negative effects on Vermonters and Vermont's finances.

The disagreement is about whether to use \$39 million of one time revenue to artificially hold down non-residential property tax. If we do that, the projection is that next year we will need over \$49 million for the same thing. That is terrible and foolish fiscal policy, putting us right back here next year with a bigger fiscal hole to fill."

Rep. Toll of Danville explained her vote as follows:

"Madam Speaker:

It is with great disappointment to see that the FY2019 budget has not been passed by this Chamber today. There has been tri-partisan support for the underlying budget and it is irresponsible to use our state budget as a pawn. Partisan politics should never come before the needs of our constituents. Vermonters rely on government for many aspects of their lives and we have let them all down today."

Rep. Turner of Milton explained his vote as follows:

"Madam Speaker:

My vote prevents a default property tax increase on hardworking Vermonters. My entire tenure in the legislature, Vermonters have been telling me that they can't afford to pay higher property taxes. Today I vote 'No' on a proposed property tax increase. I stand with the Governor and hardworking Vermonters to oppose this unnecessary increase in property taxes. Thank you!"

Rep. Willhoit of St. Johnsbury explained his vote as follows:

"Madam Speaker:

A no vote does not cause a government shutdown. It simply prevents an unnecessary tax increase . . . or no corn dog.

My children on Father's Day took me to brunch after church. One son, however, wanted a corn dog for lunch. The menu included many options, but not a corn dog. At first, he complained he couldn't eat then (i.e. shutdown). However, after careful deliberation, he chose mac and cheese.

My hope for all of us is that good compromise and not politics will prevail."

Rep. Wood of Waterbury explained her vote as follows:

"Madam Speaker:

My most conservative constituents have told me they believe the Governor has gone too far by vetoing the budget twice and I agree. They supported my vote to override the Governor's veto."

Rep. Wright of Burlington explained his vote as follows:

"Madam Speaker:

I voted to sustain the veto. The legislature has had plenty of chances to signal a real willingness to compromise. Instead we have wasted a monumental amount of time and sent the Governor not only mixed signals, but bad signals in regard to compromise. The same day that legislative leadership sent the Governor a letter, Friday June 8th, asking him to sign H.13 and 'we will negotiate in good faith' Ways and Means was passing a bill that raised the residential rate by 2 cents and the non-homestead rate by 4 cents. Any chance of the Governor signing H.13 was gone. Now, let's finally get to work at real compromise and avoid a government shutdown."

Rep. Yantachka of Charlotte explained his vote as follows:

"Madame Speaker:

A government shutdown will be bad for Vermont and for Vermonters. It is disconcerting to see that using this threat in place of good faith negotiating and willingness to compromise reflects the same kind of strategies that are we are seeing used in Washington, DC. We have failed to stand up for Vermont values by putting party politics ahead of the interests of all Vermonters."

Favorable Report; Second Reading; Third Reading Ordered; Rules Suspended; Third Reading; Bill Passed H. 1

Rep. Colburn of Burlington, for the committee on Judiciary, to which had been referred House bill, entitled

An act relating to sexual exploitation of a person in law enforcement officer custody

Reported in favor of its passage. The bill, having appeared on the Calendar one day for notice, was taken up, read the second time and third reading ordered.

On motion of **Rep. Turner of Milton**, the rules were suspended and the bill placed on all remaining stages of passage. The bill was read the third time and passed

Rules Suspended; Second Reading; Favorable Report; Third Reading Ordered; Rules Suspended; Third Reading; Passed in Concurrence

On motion of **Rep. Turner of Milton**, the rules were suspended and Senate bill, entitled

An act relating to miscellaneous judiciary procedures

Pending entry on the Calendar for notice, was taken up for immediate consideration.

Rep. Jessup of Middlesex, for the committee on Judiciary, to which had been referred the Senate bill reported in favor of its passage in concurrence.

Thereupon, the bill was read the second time and third reading was ordered.

On motion of **Rep. Savage of Swanton**, the rules were suspended and the bill placed on all remaining stages of passage. The bill was read the third time and passed in concurrence.

Rules Suspended; Second Reading; Favorable Report; Third Reading Ordered; Rules Suspended; Third Reading; Passed in Concurrence S. 5

On motion of **Rep. Savage of Swanton**, the rules were suspended and Senate bill, entitled

An act relating to the mitigation of systemic racism

Appearing on the Calendar for notice, was taken up for immediate consideration.

Rep. Gannon of Wilmington, for the committee on Government Operations, to which had been referred the Senate bill reported in favor of its passage in concurrence.

Thereupon, the bill was read the second time and third reading was ordered.

Thereupon, on motion of **Rep. Turner of Milton**, the rules were suspended and the bill placed on all remaining stages of passage. The bill was read the third time and passed in concurrence.

Rules Suspended; Second Reading; Committee Bill Third Reading Ordered; Rules Suspended; Third Reading; Passed H. 16

By the committee on Government Operations

An act relating to vital records;

Was introduced and read the first time.

Thereupon, on Motion of **Rep. Turner of Milton**, the rules were suspended and the bill was taken up for immediate consideration.

Rep. Devereux of Mount Holly, for the committee on Government Operations, to which had been referred reported in favor of its passage.

Thereupon, the bill was read the second time and third reading was ordered.

Thereupon, on motion of **Rep. Turner of Milton**, the rules were suspended and the bill placed on all remaining stages of passage. The bill was read the third time and passed.

Rules Suspended; Second Reading; Favorable Report; Third Reading Ordered S. 6

On motion of **Rep. Turner of Milton**, the rules were suspended and Senate bill, entitled

An act relating to short-term rentals

Pending entrance on the Calendar for notice, was taken up for immediate consideration.

Rep. Head of South Burlington, for the committee on General, Housing, and Military Affairs, to which had been referred the Senate bill reported in favor of its passage in concurrence.

Thereupon, the bill was read the second time and third reading was ordered.

Rules Suspended; Bills Messaged to Senate Forthwith

On motion of **Rep. Turner of Milton**, the rules were suspended and the

following bills were ordered messaged to the Senate forthwith:

H. 1

House bill, entitled

An act relating to sexual exploitation of a person in law enforcement officer custody

H. 16

House bill, entitled

An act relating to vital records

S. 4

Senate bill, entitled

An act relating to miscellaneous judiciary procedures

S. 5

Senate bill, entitled

An act relating to the mitigation of systemic racism

Adjournment

At two o'clock and forty-seven minutes in the afternoon, on motion of **Rep. Turner of Milton**, the House adjourned until Friday June 22, 2018 at nine o'clock and thirty minutes in the forenoon.