



STATE OF VERMONT
OFFICE OF LEGISLATIVE COUNCIL

MEMORANDUM

To: Ways and Means
From: Peter Griffin
Date: January 6, 2017
Subject: Legal provisions governing committee work

Vermont Constitution

The Constitution of Vermont requires the General Assembly to observe procedural requirements and standards when it enacts taxation and revenue measures - procedures and standards not required for the enactment of other legislation.

Under the Constitution, "... all revenue bills¹ shall originate in the House of Representatives; but the Senate may propose or concur in amendments, as on other bills." Vermont Constitution, Ch II, §6.

To insure that revenue bills pass with a sufficiently broad basis of support in the House, the Constitution imposes a super-quorum requirement. Ch II, §14 states: "The Representatives so chosen (a majority of whom shall constitute a quorum for transacting any other business than raising a tax for which two-thirds of the members elected shall be present) shall meet as required ..."

And, when raising taxes (unlike any other type of legislation) the Constitution directs both chambers of the legislature to deliberate on the cost-benefit to the community before doing so. "...[P]revious to any law being made to raise a tax, the purpose for which it is to be raised ought to appear evident to the Legislature to be of more service to community than the money would be if not collected". Vermont Constitution Ch I, Art 9.

The Rules of the House

Taxes and revenue are the primary areas of jurisdiction of the House Committee on Ways and Means. House Rule 25 defines the jurisdiction of the Committee as:

¹ The Vermont Supreme Court has held that "revenue bills" are bills whose primary purpose is to raise revenue to be used in meeting the general obligations of the government, and not bills which create revenue incident to other purposes. *Andrews v. Lathrop* (1974) 132 Vt. 256.

“The revenue of the state, and which shall inquire into the state of the treasury; ascertain the amount of debt due the state, and the claims against it; report the amount of taxes necessary to be raised for the support of the government and inquire what measures, if any, ought to be adopted, the better to equalize the public burdens, secure the accountability of public agents and otherwise improve the financial concerns of the state, including all matters relating to taxation, local or otherwise and all matters relating to the grand list.”

Under House precedents, bills referred to the Ways and Means Committee specifically include:

- * measures affecting the revenue of the state, either raising or reducing taxes;
- * measures affecting revenue by other means, such as fees;
- * measures affecting local and municipal taxes, and the property tax grand list;

In order to fully implement the above, under the Rules of the House the Ways and Means Committee is an automatic committee of reference of a bill on any other subject if it also affects the revenue of the State. House Rule 35 (a) provides:

35. (a) When a bill or resolution treated as a bill carrying an appropriation or a bill or resolution treated as a bill affecting the revenue of the state is reported by a committee other than the Committee on Appropriations or the Committee on Ways and Means, respectively, the Speaker shall refer it, before second reading, to the Committee on Appropriations or the Committee on Ways and Means, as the case may be, if the bill or resolution had not previously been referred, committed or recommitted to said committee, except, in the case of a House bill or House resolution treated as a bill, when the first committee by a two-thirds vote reports that the bill ought not to pass or the resolution ought not to be adopted. In that case, if the House votes that the bill or resolution be read the third time, the bill or resolution shall be referred before third reading to the Committee on Appropriations or the Committee on Ways and Means, as the case may be, which shall consider the bill or resolution and make such report as it considers advisable at which time the bill or resolution shall proceed in the regular course as other bills or resolutions.

According to recent House precedents, referrals under Rule 35a will be made automatically (without a motion to do so) of a bill reported from another standing committee if any provisions of the bill as originally introduced, or if any provision of the report on the bill (amendments) of the standing committee of initial reference, contains provisions “affecting the revenue of the state.”

Finally, under House Rules, the Ways and Means Committee (and the Committee on Appropriations) is exempt from the bill introduction deadlines imposed on members and other committees. “The Committees on Appropriations and Ways and Means may introduce a bill... at any time...” House Rule 40(c).