Journal of the Senate

TUESDAY, FEBRUARY 11, 2020

The Senate was called to order by the President.

Devotional Exercises

A moment of silence was observed in lieu of devotions.

Pledge of Allegiance

The President then led the members of the Senate in the pledge of allegiance.

Message from the Governor

A message was received from His Excellency, the Governor, by Ms. Brittney L. Wilson, Secretary of Civil and Military Affairs, as follows:

Mr. President:

I am directed by the Governor to inform the Senate that on the tenth day of February, 2020 he returned without signature and *vetoed* a bill originating in the Senate of the following title:

S. 23. An act relating to increasing the minimum wage.

Text of Communication from Governor

The text of the communication to the Senate from His Excellency, the Governor, whereby he vetoed and returned unsigned **Senate Bill No. 23** to the Senate is as follows:

"February 10, 2020

The Honorable John Bloomer, Jr. Secretary of the Senate 115 State House Montpelier, VT 05633-5401

Dear Mr. Bloomer:

Pursuant to Chapter II, Section 11 of the Vermont Constitution, I am returning S.23, *An act relating to increasing the minimum wage*, without my signature because of my objections described herein:

It's critical to recognize that we share the goal of Vermonters making more money. I also believe Vermonters should keep more of what they earn, which is why I can't support policies that increase the costs of living.

My objection to a mandated increase to the minimum wage is based on three primary concerns:

- 1. Fiscal analysis projects job losses, decreases to employee hours, and increased costs of goods and services, which will offset the intended positive benefits for workers;
- 2. These harmful impacts will be felt more significantly in rural parts of the state, worsening economic inequity between counties; and
- 3. There will be an overall negative impact on economic growth.

These concerns are reinforced by data and analysis from regions where mandated increases have taken effect, and – importantly – by the Vermont Legislature's Joint Fiscal Office, which predicted, if implemented, this bill could cause job losses, reduced hours, and higher prices.

Based on our own experience with mandated minimum wage increases in recent years, Vermont data shows that increases to hourly rates do not guarantee an increase to weekly or annual earnings for Vermont workers.

The Legislature's economist, Tom Kavet, also reported a mandated increase would have a more harmful economic impact in our more rural regions.

From workforce declines to overall economic recovery – or lack thereof – most of the state has simply not kept pace with Northwestern Vermont, particularly Chittenden County. A statewide mandated wage increase would exacerbate this regional economic inequity.

For example, a local mom and pop store in Monkton, Albany or Richford, already struggling to stay open, is far less able to absorb an increase than a retailer with a higher volume of sales in the Burlington area. That means workers in these areas are more likely to be impacted by the predicted job losses or reduced hours, and small, locally owned businesses will feel an even greater burden. We must ask ourselves what our struggling communities might look like with more empty storefronts.

Even New York recognized its own regional inequity when raising the minimum wage, carving out four discrete regions, which account for the different economic circumstances in different parts of the state. We must recognize we have two Vermonts with distinct economies.

Finally, I'm concerned with the overall economic impact to the state. The Legislature's JFO predicts a negative economic impact, specifically through a slight reduction in Vermont's Gross Domestic Product.

Vermont has one of the highest minimum wage rates in the country – which already increases annually – and yet employers across the state struggle to fill positions. If the minimum wage was directly correlated to economic prosperity and workforce growth, Vermont would have a stronger economy and a larger workforce than New Hampshire.

Despite S.23's good intentions, the reality is there are too many unintended consequences and we cannot grow the economy or make Vermont more affordable by arbitrarily forcing wage increases. I believe this legislation would end up hurting the very people it aims to help.

Based on the outstanding objections outlined above, I cannot support this legislation and must return it without my signature pursuant to Chapter II, Section 11 of the Vermont Constitution.

Sincerely,

/s/Philip B. Scott Governor

PBS/kp"

Joint Senate Resolution Adopted on the Part of the Senate J.R.S. 40.

Joint Senate resolution of the following title was offered, read and adopted on the part of the Senate, and is as follows:

By Senator Ashe,

J.R.S. 40. Joint resolution relating to weekend adjournment.

Resolved by the Senate and House of Representatives:

That when the two Houses adjourn on Friday, February 14, 2020, it be to meet again no later than Tuesday, February 18, 2020.

Committee Bill Introduced

Senate committee bill of the following title was introduced, read the first time, and, under the rule, placed on the Calendar for notice the next legislative day:

S. 338.

By the Committee on Judiciary,

An act relating to justice reinvestment.

Bill Passed

Senate bill of the following title was read the third time and passed:

S. 135. An act relating to consumer protection and automobile financing.

Bill Amended; Bill Passed

S. 181.

Senate bill entitled:

An act relating to access to employee restrooms for individuals living with an inflammatory bowel disease.

Was taken up.

Thereupon, pending third reading of the bill, Senators Lyons and Sirotkin moved to amend the bill in Sec. 1, 18 V.S.A. § 1311 by striking out subsection (c) in its entirety and that the following be inserted in lieu thereof:

(c) A retail establishment or person employed by a retail establishment shall not be subject to civil liability for an act or omission in allowing a customer to use an employee restroom pursuant to this section if the act or omission results in injury or death to the customer or the individual accompanying the customer, provided the act or omission occurs in an area of the retail establishment that is not accessible to the public. Nothing in this section shall be construed to limit or otherwise affect the liability of any person for damages resulting from that person's gross negligence or willful misconduct.

Which was agreed to.

Thereupon, the bill was read the third time and passed.

Message from the House No. 15

A message was received from the House of Representatives by Ms. Alona Tate, its Second Assistant Clerk, as follows:

Mr. President:

I am directed to inform the Senate that:

The House has passed a House bill of the following title:

H. 572. An act relating to the Maternal Mortality Review Panel.

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

The House has adopted House concurrent resolution of the following title:

H.C.R. 237. House concurrent resolution in memory of former Representative James Munro Pedley of Northfield.

In the adoption of which the concurrence of the Senate is requested.

Adjournment

On motion of Senator Ashe, the Senate adjourned until one o'clock in the afternoon on Wednesday, February 12, 2020.